

STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2008

EIGHTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 21, 2008

The House of Representatives convened at 10:00 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by Pastor Marshall Pechauer, Retired Director of Missions for the Evangelical Lutheran Church in America.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dill	Heidgerken	Liebling	Otremba	Solberg
Anderson, B.	Dittrich	Hilstrom	Lieder	Ozment	Swails
Anderson, S.	Dominguez	Hilty	Lillie	Paulsen	Thao
Anzelc	Doty	Holberg	Loeffler	Paymar	Thissen
Atkins	Drazkowski	Hoppe	Madore	Pelowski	Tillberry
Beard	Eastlund	Hornstein	Magnus	Peppin	Tingelstad
Benson	Eken	Hortman	Mahoney	Peterson, A.	Tschumper
Berns	Emmer	Hosch	Mariani	Peterson, N.	Urdahl
Bigham	Erhardt	Howes	Marquart	Peterson, S.	Wagenius
Bly	Erickson	Huntley	Masin	Poppe	Walker
Brod	Faust	Jaros	McFarlane	Rukavina	Ward
Brown	Finstad	Johnson	McNamara	Ruud	Wardlow
Brynaert	Fritz	Juhnke	Moe	Sailer	Werti
Buesgens	Gardner	Kahn	Morgan	Scalze	Westrom
Bunn	Garofalo	Kalin	Morrow	Seifert	Winkler
Carlson	Gottwalt	Knuth	Mullery	Sertich	Wollschlager
Clark	Greiling	Koenen	Murphy, E.	Severson	Zellers
Cornish	Gunther	Kohls	Murphy, M.	Shimanski	Spk. Kelliher
Davnie	Hackbarth	Kranz	Nelson	Simon	
Dean	Hamilton	Laine	Nornes	Simpson	
DeLaForest	Hansen	Lanning	Norton	Slawik	
Demmer	Hausman	Lenczewski	Olin	Slocum	
Dettmer	Haws	Lesch	Olson	Smith	

A quorum was present.

Ruth was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Hoppe moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Thissen from the Committee on Health and Human Services to which was referred:

H. F. No. 1066, A bill for an act relating to health; lowering the minimum age requirement for blood donation; requiring parental consent; amending Minnesota Statutes 2006, section 145.41.

Reported the same back with the following amendments:

Page 1, line 10, delete "15 or"

Page 1, line 13, delete "2007" and insert "2008"

With the recommendation that when so amended the bill pass.

The report was adopted.

Thissen from the Committee on Health and Human Services to which was referred:

H. F. No. 1189, A bill for an act relating to health occupations; adding a definition for licensed health care professional; modifying licensing provisions for physical therapists; amending Minnesota Statutes 2006, sections 148.65, by adding a subdivision; 148.75; 148.76, subdivision 2; repealing Minnesota Rules, parts 5601.0100, subparts 5, 6, 7, 8; 5601.1200; 5601.1800; 5601.1900; 5601.2000.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 148.65, is amended by adding a subdivision to read:

Subd. 9. Licensed health care professional or licensed health care provider. "Licensed health care professional" or "licensed health care provider" means a person licensed in good standing in Minnesota to practice medicine, osteopathy, chiropractic, podiatry, dentistry, or advanced practice nursing.

Sec. 2. Minnesota Statutes 2007 Supplement, section 148.75, is amended to read:

148.75 DISCIPLINARY ACTION.

(a) The board may impose disciplinary action specified in paragraph (b) against an applicant or licensee whom the board, by a preponderance of the evidence, determines:

(1) has violated a statute, rule, order, or agreement for corrective action that the board issued or is otherwise authorized or empowered to enforce;

(2) is unable to practice physical therapy with reasonable skill and safety by reason of any mental or physical illness or condition, including deterioration through the aging process or loss of motor skills, or use of alcohol, drugs, narcotics, chemicals, or any other type of material;

(3) has been convicted of or has pled guilty or nolo contendere to a felony or other crime, an element of which is dishonesty or fraud, or has been shown to have engaged in acts or practices tending to show that the applicant or licensee is incompetent or has engaged in conduct reflecting adversely on the applicant's or licensee's ability or fitness to engage in the practice of physical therapy;

(4) has been convicted of violating any state or federal narcotic law;

(5) has obtained or attempted to obtain a license or approval of continuing education activities, or passed an examination, by fraud or deception;

(6) has engaged in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(7) has engaged in gross negligence in the practice of physical therapy as a physical therapist;

(8) has treated human ailments by physical therapy after an initial ~~30-day~~ 90-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state in the practice of medicine as defined in section 147.081, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05, or the practice of advance practice nursing as defined in section 148.171, subdivision 3, when orders or referrals are made in and whose license is in collaboration with a physician, chiropractor, podiatrist, or dentist, and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by board of physical therapy rule. The 90-day limitation of treatment by a physical therapist without an order or referral does not apply to prevention, wellness, education, or exercise;

~~(9) has treated human ailments, without referral, by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records for a physical therapist licensed less than one year, has treated human ailments, without referral, by physical therapy treatment without first having practiced one year in collaboration with a physical therapist with more than one year of experience or under a physician's orders or referrals as verified by the board's records;~~

(10) has failed to consult with the patient's licensed health care provider, or licensed health care professional, who prescribed the physical therapy treatment if the treatment is altered by the physical therapist from the original written order. The provision does not include written orders to "evaluate and treat";

(11) has inappropriately delegated to a physical therapist assistant or inappropriately assigned tasks to an aide, or inadequately supervised a student physical therapist, physical therapist assistant, student physical therapist assistant, or a physical therapy aide;

(12) has practiced as a physical therapist performing medical diagnosis, the practice of medicine as defined in section 147.081, or the practice of chiropractic as defined in section 148.01;

(13) has failed to comply with a reasonable request to obtain appropriate clearance for mental or physical conditions that would interfere with the ability to practice physical therapy, and that may be potentially harmful to patients;

(14) has divided fees with, or paying or promising to pay a commission or part of the fee to, any person who contacts the physical therapist for consultation or sends patients to the physical therapist for treatment;

(15) has engaged in an incentive payment arrangement, other than that prohibited by clause (14), that tends to promote physical therapy overuse, that allows the referring person or person who controls the availability of physical therapy services to a client to profit unreasonably as a result of patient treatment;

(16) has failed to refer to a licensed health care professional a patient whose medical condition ~~at the time of evaluation~~ has been determined by the physical therapist to be beyond the scope of practice of a physical therapist;

(17) has failed to report to the board other licensees who violate this section;

(18) has engaged in the practice of physical therapy under lapsed or nonrenewed credentials;

(19) has had a license, certificate, charter, registration, privilege to take an examination, or other similar authority denied, revoked, suspended, canceled, limited, reprimanded, or otherwise disciplined, or not renewed for cause in any jurisdiction; or has surrendered or voluntarily terminated a license or certificate during a board investigation of a complaint, as part of a disciplinary order, or while under a disciplinary order;

(20) has been subject to a corrective action or similar action in another jurisdiction or by another regulatory authority; or

(21) has failed to cooperate with an investigation of the board, including responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation, executing all releases requested by the board, providing copies of patient records, as reasonably requested by the board to assist it in its investigation, and appearing at conferences or hearings scheduled by the board or its staff.

(b) If grounds for disciplinary action exist under paragraph (a), the board may take one or more of the following actions:

(1) deny the application for licensure;

(2) deny the renewal of the license;

(3) revoke the license;

(4) suspend the license;

(5) impose limitations or conditions on the licensee's practice of physical therapy, including the: (i) limitation of scope of practice to designated field specialties; (ii) imposition of retraining or rehabilitation requirements; (iii) requirement of practice under supervision; or (iv) conditioning of continued practice on demonstration of knowledge or skills by appropriate examination, monitoring, or other review of skill and competence;

(6) impose a civil penalty not to exceed \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the physical therapist of any economic advantage gained by reason of the violation charged, to discourage similar violations, or to reimburse the board for the cost of the investigation and proceeding including, but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members;

(7) order the licensee to provide unremunerated service;

(8) censure or reprimand the licensee; or

(9) any other action as allowed by law and justified by the facts of the case.

(c) A license to practice as a physical therapist or physical therapist assistant is automatically suspended if (1) a guardian of the licensee is appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons other than the minority of the licensee; or (2) the licensee is committed by order of a court pursuant to chapter 253B. The license remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee, the suspension is terminated by the Board of Physical Therapy after a hearing.

(d) No physical therapist shall be subject to disciplinary action by the state Board of Physical Therapy for a patient's refusal to comply with a referral, as required under paragraph (a), clause (16), when the referral is documented in the physical therapy record.

Sec. 3. Minnesota Statutes 2006, section 148.76, subdivision 2, is amended to read:

Subd. 2. **Prohibitions.** (a) No physical therapist may:

(1) treat human ailments by physical therapy after an initial ~~30-day~~ 90-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state to practice medicine as defined in section 147.081, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, the practice of dentistry as defined in section 150A.05, or the practice of advanced practice nursing as defined in section 62A.15, subdivision 3a, when orders or referrals are made in collaboration with a physician, chiropractor, podiatrist, or dentist, and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by Board of Physical Therapy rule. The 90-day limitation of treatment by a physical therapist without an order or referral does not apply to prevention, wellness, education, or exercise;

~~(2) treat human ailments by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records;~~

~~(3) (2) use any chiropractic manipulative technique whose end is the chiropractic adjustment of an abnormal articulation of the body; and~~

~~(4) (3) treat human ailments other than by physical therapy unless duly licensed or registered to do so under the laws of this state.~~

(b) No physical therapist licensed less than one year may treat human ailments, without referral, by physical therapy treatment without first having practiced one year in collaboration with a physical therapist with more than one year of experience or under a physician's orders or referrals as verified by the board's records.

Sec. 4. **BOARD OF PHYSICAL THERAPY REPORT.**

By January 15, 2010, the Board of Physical Therapy must report to the legislature any disciplinary actions taken against physical therapists whose conduct resulted in physical harm to a patient, only if that conduct was a result of the statutory changes made in the 2008 legislative session to Minnesota Statutes, sections 148.75 and 148.76, subdivision 2.

Sec. 5. **REPEALER.**

Minnesota Rules, parts 5601.0100, subparts 5, 6, 7, and 8; 5601.1200; 5601.1800; and 5601.1900, are repealed."

Delete the title and insert:

"A bill for an act relating to health occupations; changing provisions for physical therapy licensure; amending Minnesota Statutes 2006, sections 148.65, by adding a subdivision; 148.76, subdivision 2; Minnesota Statutes 2007 Supplement, section 148.75; repealing Minnesota Rules, parts 5601.0100, subparts 5, 6, 7, 8; 5601.1200; 5601.1800; 5601.1900."

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1762, A bill for an act relating to statutory cities; providing mechanisms for discharge of city charter commission; amending Minnesota Statutes 2006, section 410.05, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 410.05, subdivision 5, is amended to read:

Subd. 5. **Discharge.** (a) A charter commission in a statutory city may be discharged as follows:

(1) if the charter commission of a statutory city determines that a charter is not necessary or desirable, the commission may be discharged by a vote of three-fourths of its members; or

(2) if a petition signed by registered voters equal in number to at least five percent of the registered voters in the city requesting a referendum to discharge the charter commission is filed with the city clerk, an election must be held on the issue at a general election or a special election pursuant to section 205.10. If a majority of the votes cast support the referendum, the charter commission shall be discharged.

(b) Another commission may not be formed sooner than one year from the date of discharge."

Amend the title as follows:

Page 1, line 2, delete "mechanisms" and insert "a mechanism"

With the recommendation that when so amended the bill pass.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 2185, A bill for an act relating to education; establishing a grant program to help communities promote, practice, and cultivate positive child and youth development; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **GRANT PROGRAM TO PROMOTE HEALTHY COMMUNITY-HEALTHY YOUTH INITIATIVES.**

(a) The education commissioner must contract with the Search Institute to help local communities develop, expand, and maintain the tools, training, and resources needed to foster positive child and youth development and effectively engage young people in their community. The Search Institute must educate individuals and community-based organizations to adequately understand and meet the development needs of their children and youth, use best practices to promote the healthy development of children and youth, share best program practices with other interested communities, and create electronic and other opportunities for communities to share experiences in and resources for promoting the healthy development of children and youth.

(b) Specifically, the Search Institute must use a competitive grant process to select five interested communities throughout Minnesota to undertake healthy community-healthy youth initiatives. The Search Institute must provide the selected communities with the tools, training, and resources they need for successfully implementing initiatives focused on the healthy development of young people and strengthening the community. The Search Institute also must use a competitive grant process to provide at least four existing healthy community-healthy youth initiatives with added resources to expand existing youth engagement efforts. Finally, the Search Institute must work to strengthen networking and information sharing activities among all healthy community-healthy youth initiatives throughout Minnesota, including sharing best program practices and providing personal and electronic opportunities for peer learning and ongoing program support.

(c) The education commissioner must provide for an evaluation of the effectiveness of this program and must recommend to the education policy and finance committees of the legislature by February 15, 2010, whether or not to make the program available statewide. The Search Institute annually must report to the education commissioner on the services it provided and the grant money it expended under this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. **APPROPRIATION.**

\$250,000 in fiscal year 2009 is appropriated from the general fund to the commissioner of education for contracting with the Search Institute to promote healthy community-healthy youth initiatives under section 1, paragraph (b). The commissioner may expend up to five percent of the appropriation to provide for the program evaluation under section 1, paragraph (c).

EFFECTIVE DATE. This section is effective July 1, 2008."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Finance.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2553, A bill for an act relating to state government; creating a catastrophe survivor compensation fund; appropriating money; amending Minnesota Statutes 2006, section 13.635, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 8A.

Reported the same back with the following amendments:

Page 1, line 11, after the period, insert "The legislature enacts this chapter to deal with extraordinary events that cause widespread damage, injury, or death, in response to which the legislature determines that compensation is desirable to serve the object of government stated in article 1, section 1, of the Minnesota Constitution, to provide for the security, benefit, and protection of the people."

Page 2, line 31, before "immune" insert "absolutely"

Page 2, line 34, before "at" insert "and to the chairs of the house and senate Finance Committees and the house Committee on Ways and Means"

Page 4, line 8, after the period, insert "In addition, the release shall provide for the state's subrogation interest referenced in subdivision 6."

Page 4, line 25, delete "has" and insert "shall have"

Page 5, lines 18 and 20, delete "victim" and insert "survivor"

Page 5, line 28, after the period, insert "This provision and subdivision 7 shall be in addition to all other remedies, claims, and rights that the state may have against others for recovering money related to the catastrophe."

Page 5, line 32, after "caused" insert "or contributed to"

Page 6, line 1, after "claim" insert "or accepts or rejects an offer"

Page 6, line 4, delete "private" and insert "confidential"

Page 6, line 5, delete "12" and insert "3"

Page 6, line 8, before "and" insert ", does not establish a duty of the state or a political subdivision to compensate survivors,"

Page 6, line 9, delete "this" and before the period, insert "or a legal duty"

Page 7, line 17, delete "..... 2008" and insert "September 1, 2009"

Page 7, line 19, delete "of up to \$10,000"

Page 7, line 25, delete "\$....." and insert "\$39,320,000"

Page 7, line 30, delete "spent" and insert "June 30, 2011"

Page 7, delete subdivision 2 and insert:

"Subd. 2. **Grant.** \$680,000 is appropriated from the general fund for the fiscal year ending June 30, 2008, to the commissioner of administration for a grant to Pillsbury United Communities in Minneapolis, to allow Waite House in Minneapolis to provide comprehensive services to youth and families of youth who were on a school bus on the I-35W bridge when the bridge collapsed. This appropriation is available until June 30, 2011. The commissioner must

make \$235,000 of this appropriation available immediately, must make \$215,000 available on August 1, 2008, and must make the remainder of the appropriation available on August 1, 2009. Pillsbury United Communities must report to the chairs of the senate Finance and house Ways and Means Committees by July 1, 2008, 2009, and 2010, on expenditure of money under this subdivision."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2636, A bill for an act relating to local government; authorizing certain expenditures by towns; amending Minnesota Statutes 2006, section 365.10, subdivision 12.

Reported the same back with the following amendments:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2006, section 365.10, subdivision 8, is amended to read:

Subd. 8. **Buy, beautify park.** The electors may let the town board, by itself or with other towns, buy grounds for a public park and may limit the price to be paid for the grounds. The electors may let the town, alone or with the other towns, care for, improve, and beautify the parks. ~~The electors may decide, by ballot, the amount of money to be raised for those purposes.~~ The electors may vote a tax to pay for what they allow under this subdivision."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the first semicolon, insert "providing for town parks;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 2785, A bill for an act relating to education; establishing a conflict of interest exception for certain school contracts for professional and other services; amending Minnesota Statutes 2006, section 471.88, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 471.88, is amended by adding a subdivision to read:

Subd. 21. **Contract with no bids required.** Notwithstanding subdivision 1, a local school board may contract with a class of school district employees such as teachers or custodians where the spouse of a school board member is a member of the class of employees contracting with the school board and the employee spouse receives no special monetary or other benefit that is substantially different from the benefits that other members of the class receive under the employment contract. A school board invoking this exception must have a majority of disinterested school board members vote to approve the contract, direct the school board member spouse to abstain from voting to approve the contract, and publicly set out the essential facts of the contract at the meeting where the contract is approved.

EFFECTIVE DATE. This section is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; establishing a conflict of interest exception for certain contracts requiring school board approval; amending Minnesota Statutes 2006, section 471.88, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 2811, A bill for an act relating to occupations and professions; modifying provisions governing the Board of Accountancy; amending Minnesota Statutes 2006, sections 326A.01, subdivisions 2, 12, 17, by adding a subdivision; 326A.02, subdivisions 1, 3, 4, 5, 6, by adding a subdivision; 326A.03; 326A.04; 326A.05, subdivisions 1, 2, 3, 4; 326A.06; 326A.07; 326A.08, subdivisions 2, 4, 5, 6, 7, 8, 9; 326A.10; 326A.12; 326A.13; 326A.14; repealing Minnesota Statutes 2006, section 326A.05, subdivision 9.

Reported the same back with the following amendments:

Page 11, line 2, delete the new language

Page 11, line 3, delete the new language

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Civil Justice.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 2898, A bill for an act relating to insurance; regulating claim denials under aviation liability coverage; amending Minnesota Statutes 2006, section 60A.081, subdivision 1; Minnesota Statutes 2007 Supplement, section 360.59, subdivision 10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Pelowski from the Committee on Governmental Operations, Reform, Technology and Elections to which was referred:

H. F. No. 2904, A bill for an act relating to state government operations; establishing procedures for state agencies to assist communities to recover from a natural disaster; proposing coding for new law as Minnesota Statutes, chapter 12A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Finance.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 2983, A bill for an act relating to early childhood education; creating an Office of Early Childhood Education; directing the governor to appoint a director of early childhood education.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[4.046] OFFICE OF EARLY LEARNING.**

(a) An Office of Early Learning is established to coordinate high quality prekindergarten and child care programs. The governor must appoint an executive director who is a recognized expert in the field of early childhood care and education who will facilitate communication and coordinate prekindergarten and child care programs under the administration of the Departments of Education and Human Services.

(b) The executive director of the Office of Early Learning must coordinate Departments of Education and Human Services staff efforts to:

(1) consolidate and coordinate resources and public funding streams for early education and child care, and ensure the accountability and coordinated development of all early education and child care services to children from birth to age five;

(2) work with the Departments of Education and Human Services and Minnesota Early Learning Foundation (MELF) to create common standards for quality early childhood programming and rules for teacher training and certification;

- (3) create a seamless transition from early childhood programs to kindergarten;
- (4) encourage family choice by ensuring a mixed system of high quality public and private programs, with local points of entry, staffed by well-qualified professionals;
- (5) ensure parents a decisive role in the planning, operation, and evaluation of programs that aid families in the care of children;
- (6) provide consumer education and accessibility to early education and child care resources;
- (7) advance the quality of early education and child care programs in order to support the healthy development of children and preparation for their success in school;
- (8) develop a seamless service delivery system of early education and child care programs administered by local, state, and federal agencies, with local points of entry;
- (9) develop and manage an effective data collection system to support the necessary functions of a coordinated system of early education and child care in order to enable accurate evaluation of its impact;
- (10) respect and be sensitive to family values and cultural heritage; and
- (11) establish the administrative framework for and promote the development of early education and child care services in order to provide that such services, staffed by well-qualified professionals, are available in every community for all families that express a need for them.
- (c) The Office of Early Learning must report to the legislative committees with jurisdiction over the early childhood education and child care programs by February 1 of each year on the status of the work required under paragraph (b) and any statutory changes necessary to improve quality and increase access."

Delete the title and insert:

"A bill for an act relating to early childhood education; creating an Office of Early Learning; proposing coding for new law in Minnesota Statutes, chapter 4."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Finance.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 2984, A bill for an act relating to early childhood education; modifying the school-age care program; amending Minnesota Statutes 2006, section 124D.19, subdivision 11.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Finance.

The report was adopted.

Otremba from the Committee on Agriculture, Rural Economies and Veterans Affairs to which was referred:

H. F. No. 2987, A bill for an act relating to motor fuels; modifying definition of biodiesel; increasing minimum biodiesel content; creating tiered biodiesel content goal; establishing B20 panel with authority to increase minimum content; requiring a proposal; appropriating money; amending Minnesota Statutes 2006, section 239.77, as amended; Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 239.77, as amended by Laws 2007, chapter 62, sections 3 and 4, is amended to read:

239.77 BIODIESEL CONTENT MANDATE.

Subdivision 1. **Biodiesel fuel.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural plant oils or animal fats ~~and~~; that meets American Society For Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels; and that is manufactured by a person certified by the BQ-9000 National Biodiesel Accreditation Program.

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines must contain at least ~~2.0 percent~~ the stated percentage of biodiesel fuel oil by volume on and after the following dates:

<u>(1)</u>	<u>September 29, 2005</u>	<u>2 percent</u>
<u>(2)</u>	<u>May 1, 2009</u>	<u>5 percent</u>
<u>(3)</u>	<u>May 1, 2011</u>	<u>10 percent</u>
<u>(4)</u>	<u>May 1, 2013</u>	<u>15 percent</u>
<u>(5)</u>	<u>May 1, 2015</u>	<u>20 percent</u>

The minimum content in clause (5) is effective during the months of May, June, July, August, and September only. The minimum content for the remainder of the year is 15 percent.

(b) The minimum content levels in paragraph (a), clauses (3), (4), and (5), become effective on the date specified only if the commissioners of agriculture, commerce, and pollution control publish notice in the State Register, at least 270 days prior to the date of each scheduled increase, that all of the following conditions have been met and the state is prepared to move to the next scheduled minimum content level:

(1) an American Society for Testing and Materials specification or equivalent federal standard exists for the next minimum diesel-biodiesel blend;

(2) a sufficient supply of biodiesel is available and the amount of biodiesel produced in this state is equal to at least 50 percent of anticipated demand at the next minimum content level; and

(3) adequate blending infrastructure and regulatory protocol are in place in order to promote biodiesel quality and avoid any potential economic disruption.

(c) The commissioners of agriculture, commerce, and pollution control must consult with the biodiesel task force when assessing and certifying conditions in paragraph (b), and in general must seek the guidance of the biodiesel task force regarding biodiesel labeling, enforcement, and other related issues.

Subd. 3. **Exceptions.** (a) The minimum content ~~requirement~~ requirements of subdivision 2 ~~does~~ do not apply to fuel used in the following equipment:

- (1) motors located at an electric generating plant regulated by the Nuclear Regulatory Commission;
- (2) railroad locomotives; and
- (3) off-road taconite and copper mining equipment and machinery.

(b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in motors at electric generating plants under its regulation.

Subd. 4. **Disclosure.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Sec. 2. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a, is amended to read:

Subd. 8a. **Biodiesel fuel.** "~~Biodiesel fuel" means a renewable, biodegradable, mono-alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels~~ has the meaning given in section 239.77, subdivision 1.

Sec. 3. **PROPOSAL; PETROLEUM INSPECTION FEE REVENUE.**

The commissioners of finance, commerce, and pollution control must develop and submit to the legislature as part of their next biennial budget request a proposal for eliminating, to the extent feasible, redundant fuel inspections and dedicating all revenue from the petroleum inspection fee levied on petroleum products under Minnesota Statutes, section 239.101, subdivision 3, to the Weights and Measures Division of the Department of Commerce.

Sec. 4. **APPROPRIATION.**

\$...... is appropriated in fiscal year 2009 from the general fund to the commissioner of agriculture. \$...... is for infrastructure grants to fuel terminals that serve Minnesota for cold-weather biodiesel blending. \$...... is for educational activities focused on the handling, distribution, and use of biodiesel."

Amend the title as follows:

Page 1, line 3, delete "establishing B20 panel"

Page 1, line 4, delete everything before "appropriating"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce and Labor.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3055, A bill for an act relating to state government; providing deficiency funding for certain state agencies; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Mahoney from the Committee on Biosciences and Emerging Technology to which was referred:

H. F. No. 3143, A bill for an act relating to state government finance; allowing an individual income and corporate franchise credit for investment in Minnesota high technology businesses; reducing an appropriation; amending Minnesota Statutes 2006, section 290.06, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Finance.

The report was adopted.

Mahoney from the Committee on Biosciences and Emerging Technology to which was referred:

H. F. No. 3144, A bill for an act relating to taxation; limiting the jurisdiction to tax persons investing in certain entities; amending Minnesota Statutes 2006, section 290.015, subdivision 3, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, line 25, delete "30" and insert "25"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 3200, A bill for an act relating to taxation; conforming to certain changes made to the Internal Revenue Code; providing for additions for certain tuition expenses and teachers' expenses; requiring withholding by contractors for certain payments; temporarily modifying the indexing of income tax brackets; assigning certain income of nonresidents to this state; requiring a report; amending Minnesota Statutes 2006, sections 289A.02, subdivision 7; 289A.12, subdivision 4; 290.01, subdivision 19a; 290.06, subdivision 2c; 290.17, subdivision 2; 290.92, by adding a subdivision; 291.005, subdivision 1; Minnesota Statutes 2007 Supplement, sections 290.01, subdivisions 19, 31; 290A.03, subdivision 15.

Reported the same back with the following amendments:

Page 10, line 15, delete "2006" and insert "2007"

Page 10, line 16, delete "2005" and insert "2006"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 3201, A bill for an act relating to taxation; making policy, technical, administrative, payment, enforcement, collection, refund, and other changes to income, franchise, property, sales and use, motor vehicle sales, estate, cigarette and tobacco products, gasoline, liquor, insurance premiums, mortgage and deed, healthcare gross revenues, and other taxes and tax-related provisions; conforming to certain changes in the Internal Revenue Code; providing accelerated sales tax payments; providing for licensure of assessors; changing provisions relating to the sustainable forest resource management incentive program; providing for aids to local governments; providing for state debt collection; changing border city allocation, tax increment financing, and economic development powers and incentives; authorizing and providing terms and conditions related to the issuance of obligations and the financing of public improvements and services; extending the time for certain publications of notices; requiring notices and publication of information; authorizing and validating trusts to pay certain public postemployment benefits; changing revenue recapture, local impact notes, data practices, and securities filing fees; providing penalties; amending Minnesota Statutes 2006, sections 3.987, subdivision 1; 3.988, subdivision 3; 3.989, subdivisions 2, 3; 16A.103, subdivision 2; 16D.04, subdivisions 1, 2; 16D.11, subdivisions 2, 7; 62I.06, subdivision 6; 71A.04, subdivision 1; 97A.061, subdivision 2; 118A.03, subdivision 3; 123B.61; 127A.48, subdivision 2; 216B.1646; 270.071, subdivision 7; 270.072, subdivisions 2, 3, 6; 270.074, subdivision 3; 270.076, subdivision 1; 270.41, subdivisions 1, 2, 3, 5, by adding a subdivision; 270.44; 270.45; 270.46; 270.47; 270.48; 270.50; 270A.03, subdivision 2; 270A.10; 270C.306; 270C.34, subdivision 1; 270C.446, subdivision 2; 270C.56, subdivision 1; 270C.63, subdivision 9; 272.02, by adding subdivisions; 272.115, subdivision 1; 273.05, by adding a subdivision; 273.111, subdivision 3; 273.117; 273.121; 273.124, subdivision 13, by adding a subdivision; 273.125, subdivision 8; 273.128, subdivision 1; 273.13, subdivisions 22, 24, 25, by adding a subdivision; 273.1315; 273.1398, subdivision 4; 273.33, subdivision 2; 273.37, subdivision 2; 273.371, subdivision 1; 274.01, subdivision 1; 274.13, subdivision 1; 275.025, subdivision 3; 275.065, subdivision 5a, by adding a subdivision; 275.066; 275.067; 275.61, subdivision 1; 276.04, subdivision 2, by adding a subdivision; 277.01, subdivision 2; 278.05, subdivision 6; 279.01, subdivision 1; 279.37, subdivision 1a; 280.39; 287.22; 287.2205; 289A.02, subdivision 7; 289A.08, subdivision 11; 289A.09, subdivision 2; 289A.12, subdivisions 4, 14; 289A.18, subdivision 1; 289A.20, subdivision 4; 289A.38, subdivision 7; 289A.40, subdivision 2; 289A.56, by adding a subdivision; 289A.60, subdivisions 8, 12, 15, 25, 27, by adding subdivisions; 290.01, subdivisions 19a, 19c, 19d; 290.06, subdivisions 2c, 33; 290.067, subdivision 2b; 290.0671, subdivision 7; 290.0677, subdivision 1; 290.091, subdivision 3; 290.0921, subdivision 3; 290.10; 290.17, subdivision 2; 290.191, subdivision 8; 290.92, by adding a subdivision; 290A.03, subdivision 7; 290B.03, subdivision 2; 290C.02, subdivision 3; 290C.04; 290C.05; 290C.07; 290C.11; 291.005, subdivision 1; 291.215, subdivision 1; 295.52, subdivisions 4, 4a; 295.54, subdivision 2; 296A.18, subdivision 4; 297A.61, subdivisions 3, 4, 7, 10, 24, by adding subdivisions; 297A.63, subdivision 1; 297A.665; 297A.668, by adding a subdivision; 297A.669, subdivisions 3, 13, 14, by adding subdivisions; 297A.67, subdivisions 7, 8, 9; 297A.68, subdivisions 11, 16, 35; 297A.69, subdivision 2; 297A.70, subdivision 7, by adding a subdivision; 297A.72; 297A.90, subdivision 2; 297A.99, subdivision 1; 297B.035, subdivision 1; 297F.06, subdivision 4; 297F.09, subdivision 10; 297F.21, subdivision 3; 297F.25, by adding a subdivision; 297G.09, subdivision 9; 297I.06, subdivisions 1, 2; 297I.15, by adding a subdivision; 297I.20, subdivision 2; 297I.40, subdivision 5; 331A.05, subdivision 2; 360.031; 365A.02; 365A.04; 365A.08; 365A.095; 373.01, subdivision 3; 373.40, subdivision 4; 375B.09; 383A.80, subdivision 4;

383A.81, subdivisions 1, 2; 383B.117, subdivision 2; 383B.77, subdivisions 1, 2; 383B.80, subdivision 4; 410.32; 412.301; 435.193; 453A.02, subdivision 3; 469.169, by adding a subdivision; 469.1734, subdivision 6; 469.174, subdivisions 10, 10a; 469.175, subdivisions 1, 3; 469.176, subdivisions 1, 2, 4l, 7; 469.1761, subdivision 1; 469.1763, subdivision 2; 469.177, subdivision 1; 469.178, subdivision 7; 469.1791, subdivision 3; 473.39, by adding subdivisions; 475.51, subdivision 4; 475.52, subdivision 6; 475.53, subdivision 1; 475.58, subdivisions 1, 3b; 477A.011, subdivision 36; 477A.013, subdivisions 8, 9; Minnesota Statutes 2007 Supplement, sections 270A.03, subdivision 5; 272.02, subdivision 64; 273.124, subdivision 14; 275.065, subdivision 3; 290.01, subdivisions 19, 19b, 31; 290A.03, subdivision 15; 424A.10, subdivision 3; Laws 1973, chapter 393, section 1, as amended; Laws 1980, chapter 511, section 1, subdivision 2, as amended; Laws 1988, chapter 645, section 3, as amended; Laws 1989, chapter 211, section 8, subdivision 4, as amended; Laws 1993, chapter 375, article 9, section 45, subdivisions 2, as amended, 3, as amended, 4, as amended; Laws 1994, chapter 587, article 9, section 14, subdivisions 1, 2, 3; Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; Laws 1999, chapter 243, article 4, section 18, subdivisions 1, 3, 4; Laws 2003, chapter 128, article 1, section 172, as amended; Laws 2005, First Special Session chapter 3, article 5, section 39; article 10, section 23, as amended; Laws 2006, chapter 259, article 11, section 3; proposing coding for new law in Minnesota Statutes, chapters 270; 270C; 273; 274; 290C; 297A; 360; 383C; 383D; 383E; 471; 475; repealing Minnesota Statutes 2006, sections 16A.1522; 270.073; 270.41, subdivision 4; 270.43; 270.51; 270.52; 270.53; 295.60; 297A.61, subdivision 20; 297A.668, subdivision 6; 297A.67, subdivision 22; 469.174, subdivision 29; Laws 1973, chapter 393, section 2; Laws 1994, chapter 587, article 9, section 8, subdivision 1, as amended; Laws 1998, chapter 389, article 11, section 18.

Reported the same back with the following amendments:

Page 10, line 7, delete "2008" and insert "2009"

Page 10, line 15, delete "2008" and insert "2009"

Page 10, line 31, delete "2008, 2009," and insert "2009"

Page 23, line 23, strike "(3)" and insert "(2)"

Page 23, line 26, strike "pursuant to clause (1)" and insert "under paragraph (b)"

Page 23, line 27, strike "certifies to the assessor" and insert "or the county assessor certifies"

Page 41, line 9, strike everything before the first comma and insert "the taxes, or a portion of them"

Page 47, after line 3 insert:

"(c) Minnesota Statutes 2006, section 163.051, subdivision 5, is repealed, effective for taxes payable in 2007 and thereafter."

Page 47, line 5, delete "INDIVIDUAL"

Page 52, line 33, reinstate the stricken language

Page 52, line 35, delete the new language and reinstate the stricken language

Page 53, lines 1 to 4, delete the new language

Page 53, line 5, delete "retroactively"

Page 53, delete line 6

Page 53, after line 7, insert:

"Sec. 4. Minnesota Statutes 2006, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. **Corporations; additions to federal taxable income.** For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 and 965 of the Internal Revenue Code;

(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(8) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

(9) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(10) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;

(11) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g);

(12) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(13) the amount of net income excluded under section 114 of the Internal Revenue Code;

(14) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of section 103 of Public Law 109-222;

(15) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;

(16) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(17) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code; ~~and~~

(18) the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies for prescription drug plans;

(19) the amount of expenses disallowed under section 290.10, subdivision 2; and

(20) for taxable years beginning after December 31, 2006, and before January 1, 2008, additional amounts deducted for donation of computer technology and equipment under section 170(e)(6) of the Internal Revenue Code, to the extent deducted from taxable income.

EFFECTIVE DATE. Clause (19) is effective for taxable years beginning after December 31, 2007, for disallowed expenses assessed after the date of final enactment of this act and clause (20) is effective for taxable years beginning after December 31, 2006."

Page 58, delete Article 4 and insert:

"ARTICLE 4

FEDERAL UPDATE

Section 1. Minnesota Statutes 2006, section 289A.02, subdivision 7, is amended to read:

Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~May 18, 2006~~ February 13, 2008.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2007 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through ~~May 18, 2006~~ February 13, 2008, shall be in effect for taxable years beginning after December 31, 1996, ~~and before January 1, 2006, and for taxable years beginning after December 31, 2006.~~ ~~The Internal Revenue Code of 1986, as amended through December 31, 2006, is in effect for taxable years beginning after December 31, 2005, and before January 1, 2007.~~

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19 to 19f mean the code in effect for purposes of determining net income for the applicable year.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2006.

Sec. 3. Minnesota Statutes 2006, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. **Additions to federal taxable income.** For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income or sales and use taxes paid or accrued within the taxable year under this chapter and the amount of taxes based on net income paid or sales and use taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income or sales and use tax is the last itemized deduction disallowed;

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law 99-514, applies;

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and taxes based on net income paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729;

(5) the amount of expense, interest, or taxes disallowed pursuant to section 290.10 other than expenses or interest used in computing net interest income for the subtraction allowed under subdivision 19b, clause (1);

(6) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(7) 80 percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed;

(8) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(9) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code; ~~and~~

(10) the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies for prescription drug plans;

(11) for taxable years beginning after December 31, 2006, and before January 1, 2008, the amount deducted for qualified tuition and related expenses under section 222 of the Internal Revenue Code, to the extent deducted from gross income; and

(12) for taxable years beginning after December 31, 2006, and before January 1, 2008, the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code, to the extent deducted from gross income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2006.

Sec. 4. Minnesota Statutes 2007 Supplement, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, ~~for taxable years beginning before January 1, 2006, and after December 31, 2006, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 18, 2006; and for taxable years beginning after December 31, 2005, and before January 1, 2007, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 2006~~ February 13, 2008.

EFFECTIVE DATE. This section is effective the day following final enactment except the changes incorporated by federal changes are effective at the same time as the changes were effective for federal purposes.

Sec. 5. Minnesota Statutes 2006, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$25,680, 5.35 percent;
- (2) On all over \$25,680, but not over \$102,030, 7.05 percent;
- (3) On all over \$102,030, 7.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$17,570, 5.35 percent;
- (2) On all over \$17,570, but not over \$57,710, 7.05 percent;
- (3) On all over \$57,710, 7.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$21,630, 5.35 percent;
- (2) On all over \$21,630, but not over \$86,910, 7.05 percent;
- (3) On all over \$86,910, 7.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), ~~and (9), (11), and (12)~~ and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtractions under section 290.01, subdivision 19b, clauses (9), (10), (14), (15), and (16), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), ~~and (9), (11), and (12)~~ and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (9), (10), (14), (15), and (16).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2006.

Sec. 6. Minnesota Statutes 2007 Supplement, section 290A.03, subdivision 15, is amended to read:

Subd. 15. **Internal Revenue Code.** ~~For taxable years beginning before January 1, 2006, and after December 31, 2006, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 18, 2006; and for taxable years beginning after December 31, 2005, and before January 1, 2007, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 2006~~ February 13, 2008.

EFFECTIVE DATE. This section is effective for property tax refunds based on property taxes payable on or after December 31, 2007, and rent paid on or after December 31, 2006.

Sec. 7. Minnesota Statutes 2006, section 291.005, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota, and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through ~~May 18, 2006~~ February 13, 2008.

(9) "Minnesota adjusted taxable estate" means federal adjusted taxable estate as defined by section 2011(b)(3) of the Internal Revenue Code, increased by the amount of deduction for state death taxes allowed under section 2058 of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective the day following final enactment."

Page 65, line 23, after "law" insert "or statute"

Page 66, line 11, delete "\$37,931,000" and insert "\$40,285,000"

Page 70, line 26, after "center," insert "with construction costs "

Page 71, line 9, delete "acquisition," and delete ", improvement, and development"

Page 71, line 21, after "years" insert "after the tax extension to pay for the project in subdivision 2, clause (2), is first imposed"

Page 75, line 13, delete "81" and insert "80"

Page 75, line 24, delete "81" and insert "80"

Page 75, line 32, delete "81" and insert "80"

Page 76, line 1, delete "81" and insert "80"

Page 76, line 2, delete "81" and insert "80"

Page 76, line 12, delete "81" and insert "80"

Page 76, line 19, delete "81" and insert "80"

Page 76, line 20, delete "81" and insert "80"

Page 76, line 28, delete "81" and insert "80"

Page 77, line 3, delete "81" and insert "80"

Page 77, line 4, delete "81" and insert "80"

Page 85, after line 9, insert:

"ARTICLE 8

MINERALS

Section 1. Minnesota Statutes 2006, section 276A.01, subdivision 3, is amended to read:

Subd. 3. **Commercial-industrial property.** "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of the property (i) that may, by law, constitute the tax base for a tax increment pledged pursuant to section 469.042 or 469.162 or sections 469.174 to 469.178, certification of which was requested prior to May 1, 1996, to the extent and while the tax increment is so pledged; or (ii) that is exempt from taxation under section 272.02:

(1) that portion of class 5 property consisting of unmined iron ore and low-grade iron-bearing formations as defined in section 273.14, tools, implements, and machinery, except the portion of high voltage transmission lines, the value of which is deducted from net tax capacity under section 273.425; and

(2) that portion of class 3 and class 5 property which is either used or zoned for use for any commercial or industrial purpose, including property that becomes taxable under section 6, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property must be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision are to the successor class or classes of property, or portions thereof, that include the kinds of property designated in this subdivision.

EFFECTIVE DATE. This section is effective for the 2008 assessment and thereafter.

Sec. 2. Minnesota Statutes 2006, section 276A.04, is amended to read:

276A.04 INCREASE IN NET TAX CAPACITY.

By July 15 of 1997 and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the net tax capacity determined in the preceding year pursuant to section 276A.03, of commercial-industrial property subject to taxation within each municipality in the county exceeds the net tax capacity in 1995 of commercial-industrial property subject to taxation within that municipality, including the total net tax capacity of property that becomes taxable under section 6. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 276A.03 to the county auditor responsible for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 276A.05. The increase in total net tax capacity determined by this section must be reduced by the amount of any decreases in the net tax capacity of commercial-industrial property resulting from any court decisions, court-related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on May 1 of the current assessment year, where the decreases, if originally reflected in

the determination of a prior year's net tax capacity under section 276A.03, would have resulted in a smaller contribution from the municipality in that year. An adjustment for the decreases shall be made only if the municipality made a contribution in a prior year based on the higher net tax capacity of the commercial-industrial property.

EFFECTIVE DATE. This section is effective for the 2008 assessment and thereafter.

Sec. 3. Minnesota Statutes 2006, section 298.22, is amended by adding a subdivision to read:

Subd. 5a. **Forest trust.** The commissioner, upon the affirmative vote of a majority of the members of the board, may purchase forest lands in the taconite assistance area defined in under section 273.1341 with funds specifically authorized for the purchase. The acquired forest lands must be held in trust for the benefit of the citizens of the taconite assistance area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and developed for recreation and economic development purposes. Proceeds derived from the management of the lands and from the sale of timber or removal of gravel or other minerals from these forest lands shall be deposited into an Iron Range Miners' Memorial Forest account that is established within the state financial accounts. Funds may be expended from the account upon approval of a majority of the members of the board to purchase, manage, administer, convey interests in, and improve the forest lands. By majority vote of the members of the board, money in the Iron Range Miners' Memorial Forest account may be transferred into the corpus of the Douglas J. Johnson economic protection trust fund established under sections 298.291 to 298.294. The property acquired under the authority granted by this subdivision and income derived from the property or the operation or management of the property are exempt from taxation by the state or its political subdivisions.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2006, section 298.2214, subdivision 2, is amended to read:

Subd. 2. **Iron Range Higher Education Committee; membership.** The members of the committee shall consist of:

- (1) one member appointed by the governor;
- (2) one member appointed by the president of the University of Minnesota;
- (3) ~~two four~~ members ~~appointed by the commissioner~~ of the Iron Range Resources and Rehabilitation Board appointed by the chair; and
- ~~(4) the commissioner of Iron Range resources and rehabilitation~~
- (4) the president of the Northeast Higher Education District or its successor.

Sec. 5. Minnesota Statutes 2006, section 298.24, subdivision 1, is amended to read:

Subdivision 1. **Imposed; calculation.** (a) For concentrate produced in 2001, 2002, and 2003, there is imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of \$2.103 per gross ton of merchantable iron ore concentrate produced therefrom. For concentrates produced in 2005, the tax rate is the same rate imposed for concentrates produced in 2004.

(b) For concentrates produced in 2006 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" means the implicit price deflator for the gross domestic product prepared by the Bureau of Economic Analysis of the United States Department of Commerce.

(c) On concentrates produced in 1997 and thereafter, an additional tax is imposed equal to three cents per gross ton of merchantable iron ore concentrate for each one percent that the iron content of the product exceeds 72 percent, when dried at 212 degrees Fahrenheit.

(d) The tax shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(e) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$2.103 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(f) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

(g)(1) Notwithstanding any other provision of this subdivision, for the first two years of a plant's commercial production of direct reduced ore, no tax is imposed under this section. As used in this paragraph, "commercial production" is production of more than 50,000 tons of direct reduced ore in the current year or in any prior year, "noncommercial production" is production of 50,000 tons or less of direct reduced ore in any year, and "direct reduced ore" is ore that results in a product that has an iron content of at least 75 percent. For the third year of a plant's commercial production of direct reduced ore, the rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined under this subdivision. For the fourth commercial production year, the rate is 50 percent of the rate otherwise determined under this subdivision; for the fifth commercial production year, the rate is 75 percent of the rate otherwise determined under this subdivision; and for all subsequent commercial production years, the full rate is imposed.

(2) Subject to clause (1), production of direct reduced ore in this state is subject to the tax imposed by this section, but if that production is not produced by a producer of taconite or iron sulfides, the production of taconite or iron sulfides consumed in the production of direct reduced iron in this state is not subject to the tax imposed by this section on taconite or iron sulfides.

(3) Notwithstanding any other provision of this subdivision, no tax is imposed on direct reduced ore under this section during the facility's noncommercial production of direct reduced ore. The taconite or iron sulphides consumed in the noncommercial production of direct reduced ore is subject to the tax imposed by this section on taconite and iron sulphides. Three-year average production of direct reduced ore does not include production of direct reduced ore in any noncommercial year. Three-year average production for a direct reduced ore facility that has noncommercial production is the average of the commercial production of direct reduced ore for the current year and the previous two commercial years.

(4) This paragraph applies only to plants for which all environmental permits have been obtained and construction has begun before July 1, 2008.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2006, section 298.25, is amended to read:

298.25 TAXES ADDITIONAL TO OCCUPATION TAX; IN LIEU OF OTHER TAXES.

The taxes imposed under section 298.24 shall be in addition to the occupation tax imposed upon the business of mining and producing iron ore. Except as herein otherwise provided, such taxes shall be in lieu of all other taxes upon such taconite, iron sulphides, and direct reduced ore or the lands in which they are contained, or upon the mining or quarrying thereof, or the production of concentrate or direct reduced ore therefrom, or upon the concentrate or direct reduced ore produced, or upon the machinery, equipment, tools, supplies and buildings used in such mining, quarrying or production, or upon the lands occupied by, or used in connection with, such mining, quarrying or production facilities. If electric or steam power for the mining, transportation or concentration of such taconite, concentrates or direct reduced ore produced therefrom is generated in plants principally devoted to the generation of power for such purposes, the plants in which such power is generated and all machinery, equipment, tools, supplies, transmission and distribution lines used in the generation and distribution of such power, shall not be considered to be machinery, equipment, tools, supplies and buildings used in the mining, quarrying, or production of taconite, taconite concentrates or direct reduced ore within the meaning of this section, and shall be subject to general property taxation. ~~If part of the power generated in such a plant is used for purposes other than the mining or concentration of taconite or direct reduced ore or the transportation or loading of taconite, the concentrates thereof or direct reduced ore, a proportionate share of the value of such generating facilities, equal to the proportion that the power used for such other purpose bears to the generating capacity of the plant, shall be subject to the general property tax in the same manner as other property; provided, power generated in such a plant and exchanged for an equivalent amount of power which is used for the mining, transportation, or concentration of such taconite, concentrates or direct reduced ore produced therefrom, shall be considered as used for such purposes within the meaning of this section.~~ Nothing herein shall prevent the assessment and taxation of the surface of reserve land containing taconite and not occupied by such facilities or used in connection therewith at the value thereof without regard to the taconite or iron sulphides therein, nor the assessment and taxation of merchantable iron ore or other minerals, or iron-bearing materials other than taconite or iron sulphides in such lands in the manner provided by law, nor the assessment and taxation of facilities used in producing sulphur or sulphur products from iron sulphide concentrates, or in refining such sulphur products, under the general property tax laws. Nothing herein shall except from general taxation or from taxation as provided by other laws any property used for residential or townsite purposes, including utility services thereto. This section does not provide an exemption from general property taxation for ore docks even if located at the site of a taconite production facility.

EFFECTIVE DATE. This section is effective for taxes levied in 2008, payable in 2009, and thereafter.

Sec. 7. Minnesota Statutes 2006, section 298.28, subdivision 4, is amended to read:

Subd. 4. **School districts.** (a) ~~17.15~~ 23.15 cents per taxable ton₁ plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) ~~and~~₂ (c), ~~except as otherwise provided in paragraph and~~ (f).

(b) (i) 3.43 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(ii) Four cents per taxable ton from each taconite facility must be distributed to each affected school district for deposit in a fund dedicated to building maintenance and repairs, as follows:

(1) proceeds from Keewatin Taconite or its successor are distributed to Independent School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor districts;

(2) proceeds from the Hibbing Taconite Company or its successor are distributed to Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor districts;

(3) proceeds from the Mittal Steel Company and Minntac or their successors are distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia, 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

(4) proceeds from the Northshore Mining Company or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 318, Lake Superior, or their successor districts; and

(5) proceeds from United Taconite or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their successor districts.

Revenues that are required to be distributed to more than one district shall be apportioned according to the number of pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year.

(c)(i) ~~13.72~~ 15.72 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts which qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values after reduction for any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy reduction under section 126C.48, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) Any school district described in paragraph (c) where a levy increase pursuant to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 126C.13 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of Iron Range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the Douglas J. Johnson economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve the lesser of the amount received under this paragraph or \$25 times the number of pupil units served in the district. It may use the money for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

~~(f) Effective for the distribution in 2003 only, five percent of the distributions to school districts under paragraphs (b), (c), and (e); subdivision 6, paragraph (c); subdivision 11; and section 298.225, shall be distributed to the general fund. The remainder less any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), shall be distributed to the Douglas J. Johnson economic protection trust fund created in section 298.292. Fifty percent of the amount distributed to the Douglas J. Johnson economic protection trust fund shall be made available for expenditure under section 298.293 as governed by section 298.296. Effective in 2003 only, 100 percent of the distributions to school districts under section 477A.15 less any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), shall be distributed to the general fund. Four cents per taxable ton must be distributed to qualifying school districts according to the distribution specified in paragraph (b), clause (ii), and two cents per taxable ton must be distributed according to the distribution specified in paragraph (c). These amounts are not subject to section 126C.48, subdivision 8.~~

EFFECTIVE DATE. This section is effective for distributions in 2009 and thereafter.

Sec. 8. Minnesota Statutes 2006, section 298.28, subdivision 5, is amended to read:

Subd. 5. **Counties.** (a) 26.05 cents per taxable ton is allocated to counties to be distributed, based upon certification by the commissioner of revenue, under paragraphs (b) to (d).

(b) ~~20.525~~ 15.525 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision 2 is the basis for the distribution.

(c) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to paragraph (b) and imposed on and collected from such taxpayer shall be paid to the county in which the power plant is located.

(d) ~~5.525~~ 10.525 cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in subdivision 2.

EFFECTIVE DATE. This section is effective for distributions in 2009 and thereafter.

Sec. 9. Minnesota Statutes 2006, section 298.28, is amended by adding a subdivision to read:

Subd. 9d. **Iron Range higher education account.** Two cents per taxable ton must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in an Iron Range higher education account that is hereby created, to be used for higher education programs conducted at educational institutions in the taconite assistance area defined in section 273.1341. The Iron Range Higher Education committee under section 298.2214 and the Iron Range Resources and Rehabilitation Board must approve all expenditures from the account.

EFFECTIVE DATE. This section is effective for production in 2007, distributions in 2008, and thereafter.

Sec. 10. Minnesota Statutes 2006, section 298.282, subdivision 1, is amended to read:

Subdivision 1. **Distribution of taconite municipal aid account.** The amount deposited with the county as provided in section 298.28, subdivision 3, must be distributed as provided by this section among: (1) the municipalities comprising a tax relief area under section 273.134, paragraph (b); (2) a township that contains a state park consisting primarily of an underground iron ore mine; and (3) a city located within five miles of that state park, each being referred to in this section as a qualifying municipality.

EFFECTIVE DATE. This section is effective for distributions in 2008 and thereafter.

Sec. 11. Minnesota Statutes 2006, section 298.292, subdivision 2, is amended to read:

Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

(3) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources; ~~and~~

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. Minnesota Statutes 2006, section 298.296, subdivision 2, is amended to read:

Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust.

(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the corpus of the trust may be made available for use as provided in subdivision 4, and up to \$10,000,000 from the corpus of the trust may be made available for use as provided in section 298.2961.

(c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8, section 17, may be expended on projects. Funds may be expended for projects under this paragraph only if the project:

(1) is for the purposes established under section 298.292, subdivision 1, clause (1) or (2); and

(2) is approved by the board upon an affirmative vote of at least ten of its members.

No money made available under this paragraph or paragraph (d) can be used for administrative or operating expenses of the Iron Range Resources and Rehabilitation Board or expenses relating to any facilities owned or operated by the board on May 18, 2002.

(d) Upon recommendation by a unanimous vote of all members of the board, amounts in addition to those authorized under paragraphs (a), (b), and (c) may be expended on projects described in section 298.292, subdivision 1.

(e) Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

(f) Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

(g) Additionally, notwithstanding section 298.293, upon affirmative vote of a majority of the members of the board, money from the corpus of the trust may be expanded to purchase forest lands within the taconite assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 13. Minnesota Statutes 2006, section 298.2961, subdivision 4, is amended to read:

Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision. Any grant or loan made under this subdivision must be approved by a majority of the members of the Iron Range Resources and Rehabilitation Board, established under section 298.22.

(b) Distributions received in calendar year 2005 are allocated to the city of Virginia for improvements and repairs to the city's steam heating system.

(c) Distributions received in calendar year 2006 are allocated to a project of the public utilities commissions of the cities of Hibbing and Virginia to convert their electrical generating plants to the use of biomass products, such as wood.

(d) Distributions received in calendar year 2007 must be paid to the city of Tower to be used for the East Two Rivers project in or near the city of Tower.

(e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution must be paid to St. Louis County for deposit in its county road and bridge fund to be used for relocation of St. Louis County Road 715, commonly referred to as Pike River Road. The remainder of the 2008 distribution ~~and the full amount of the distributions~~ must be paid to St. Louis County for a grant to the city of Virginia for connecting sewer and water lines to the St. Louis County maintenance garage on Highway 135, further extending the lines to interconnect with the city of Gilbert's sewer and water lines. All distributions received in 2009 and subsequent years is are allocated for projects under section 298.223, subdivision 1.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. Minnesota Statutes 2006, section 298.2961, subdivision 5, is amended to read:

Subd. 5. **Public works and local economic development fund.** For distributions in 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

(1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for construction of a combined wastewater facility and notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County shall also be distributed to the recipient;

(2) six cents per ton to the city of Eveleth to redesign and design and construct improvements to renovate its water treatment facility;

(3) one cent per ton for the East Range Joint Powers Board to acquire land for and to design a central wastewater collection and treatment system;

(4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;

(5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;

(6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;

(7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment and Economic Development;

(8) 0.4 cents per ton to the city of Keewatin for a new city well;

(9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous materials center;

(10) 0.9 cents per ton to Aitkin County Growth for an economic development project for peat harvesting;

(11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;

(12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive plan;

(13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;

(14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake Environmental Learning Center;

(15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;

(16) 0.5 cents per ton to the Economic Development Authority of the city of Grand Rapids for planning for the North Central Research and Technology Laboratory;

(17) 0.6 cents per ton to the city of Bovey for sewer and water extension;

(18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and

(19) ten cents per ton to ~~an economic development authority in a city through which State Highway 1 passes, or a city in Independent School District No. 2142 that has an active mine,~~ the commissioner of Iron Range Resources and Rehabilitation for deposit in a Highway 1 Corridor Account established by the commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook, Ely, or Tower, for an economic development project projects approved by the Iron Range Resources and Rehabilitation Board; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County or the commissioner shall also be distributed to the recipient.

EFFECTIVE DATE. This section is effective for distributions made in 2008 and thereafter.

Sec. 15. Minnesota Statutes 2006, section 298.75, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** Except as may otherwise be provided, the following words, when used in this section, shall have the meanings herein ascribed to them.

~~(1)~~ (a) "Aggregate material" ~~shall mean means:~~

(1) nonmetallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, crushed rock, limestone, granite, and borrow, but only if the borrow is transported on a public road, street, or highway-, provided that nonmetallic aggregate material shall does not include dimension stone and dimension granite; and

(2) taconite tailings, crushed rock, and architectural or dimension stone and dimension granite removed from a taconite mine or the site of a previously operated taconite mine.

Aggregate material must be measured or weighed after it has been extracted from the pit, quarry, or deposit.

~~(2)~~ (b) "Person" ~~shall mean means~~ any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

~~(3)~~ (c) "Operator" ~~shall mean means~~ any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

~~(4)~~ (d) "Extraction site" ~~shall mean~~ means a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

~~(5)~~ (e) "Importer" ~~shall mean~~ means any person who buys aggregate material produced from a county not listed in paragraph ~~(6)~~ (f) or another state and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

~~(6)~~ (f) "County" ~~shall mean~~ means the counties of Pope, Stearns, Benton, Sherburne, Carver, Scott, Dakota, Le Sueur, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahnomen, Clay, Becker, Carlton, St. Louis, Rock, Murray, Wilkin, Big Stone, Sibley, Hennepin, Washington, Chisago, and Ramsey. County also means any other county whose board has voted after a public hearing to impose the tax under this section and has notified the commissioner of revenue of the imposition of the tax.

~~(7)~~ (g) "Borrow" ~~shall mean~~ means granular borrow, consisting of durable particles of gravel and sand, crushed quarry or mine rock, crushed gravel or stone, or any combination thereof, the ratio of the portion passing the (#200) sieve divided by the portion passing the (1 inch) sieve may not exceed 20 percent by mass.

EFFECTIVE DATE. This section is effective for aggregate material removed beginning June 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 298.75, subdivision 3, is amended to read:

Subd. 3. **Report and remittance.** (a) By the 14th day following the last day of each calendar quarter, every operator or importer shall make and file with the county auditor of the county in which the aggregate material is removed or imported, a correct report under oath, in such form and containing such information as the auditor shall require relative to the quantity of aggregate material removed or imported during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

(b) If any of the proceeds of the tax is to be apportioned as provided in subdivision 2, the operator or importer shall also include on the report any relevant information concerning the amount of aggregate material transported, the tax and the county of destination. The county auditor shall notify the county treasurer of the amount of such tax and the county to which it is due. The county treasurer shall remit the tax to the appropriate county within 30 days, except as provided in paragraph (c).

(c) The proceeds of the tax on aggregate material as defined in subdivision 1, paragraph (a), clause (2), must be remitted to the commissioner of iron range resources and rehabilitation to be deposited in the taconite area environmental protection fund under section 298.223, and used for the purposes of that fund.

EFFECTIVE DATE. This section is effective for aggregate material removed beginning June 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 298.75, subdivision 7, is amended to read:

Subd. 7. **Proceeds of taxes.** All money collected as taxes under this section on aggregate material as defined in subdivision 1, paragraph (a), clause (1), shall be deposited in the county treasury and credited as follows, for expenditure by the county board:

(a) Sixty percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges;

(b) Thirty percent to the road and bridge fund of those towns as determined by the county board and to the general fund or other designated fund of those cities as determined by the county board, to be expended for maintenance, construction and reconstruction of roads, highways and bridges; and

(c) Ten percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned pits, quarries, or deposits located upon public and tax forfeited lands within the county.

If there are no abandoned pits, quarries or deposits located upon public or tax forfeited lands within the county, this portion of the tax shall be deposited in the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges.

EFFECTIVE DATE. This section is effective for aggregate material removed beginning June 1, 2008.

Sec. 18. **IRON RANGE RESOURCES AND REHABILITATION BOARD; APPROPRIATION; RETIRE BONDS.**

Commencing with taxes payable in 2008 there is annually appropriated from the distribution of the taconite production tax revenues to the taconite environmental protection fund under Minnesota Statutes, section 298.28, subdivision 11, and to the Douglas J. Johnson economic protection trust fund under Minnesota Statutes, section 298.28, subdivisions 9 and 11, in equal shares, an amount of \$500,000 per year.

The revenue received under this section shall be used only to retire Mesabi East School District No. 2711 bonds in the amount of \$9,000,000 issued September 1, 2006, and in the amount of \$6,250,000 issued March 1, 2007. The payments shall continue for a period of ten years ending with taxes payable in 2017. Payments to the school district shall be made annually on March 1, except that the initial annual payment shall be made by September 1, 2008.

EFFECTIVE DATE. This section is effective the day following final enactment."

Page 109, delete subdivision 1a

Page 109, line 13, delete the new language

Page 109, line 14, delete the new language

Page 109, line 15, delete everything before the comma

Page 109, line 26, delete the new language

Page 109, line 27, delete the new language

Page 138, delete section 12

Page 141, lines 25 to 30, reinstate the stricken language

Page 142, line 1, delete the new language and reinstate the stricken language

Page 142, line 4, delete the new language and reinstate the stricken language

Page 142, line 6, delete the new language and reinstate the stricken language

Page 142, line 9, delete the new language and reinstate the stricken language

Page 142, line 12, delete the new language and reinstate the stricken language

Page 142, line 17, delete "(14)" and insert "(15)"

Page 142, line 21, delete "(15)" and insert "(16)"

Page 142, line 28, delete "(16)" and insert "(17)"

Page 142, line 31, delete "(17)" and insert "(16)"

Page 142, line 32, delete the new language and reinstate the stricken language

Page 142, line 34, delete the new language and reinstate the stricken language

Page 143, line 1, delete "(18)" and insert "(17)"

Page 143, line 2, delete the new language and reinstate the stricken language

Page 146, line 11, delete "(14)" and insert "(15)"

Page 146, line 14, delete "(17)" and insert "(18)"

Page 147, line 14, delete "(8)" and insert "(9)"

Page 147, line 15, delete "(9)" and insert "(10)"

Page 149, delete section 21

Page 230, after line 12 insert:

"Sec. 8. Minnesota Statutes 2006, section 298.75, is amended by adding a subdivision to read:

Subd. 11. **Tax may be imposed; Otter Tail County.** (a) If Otter Tail County does not impose a tax under this section and approves imposition of the tax under this subdivision, the town of Scambler in Otter Tail County may impose the aggregate materials tax under this section.

(b) For purposes of exercising the powers contained in this section, the "town" is deemed to be the "county."

(c) All provisions in this section apply to the town of Scambler, except that all proceeds of the tax must be retained by the town and used for the purposes described in subdivision 7.

(d) If Otter Tail County imposes an aggregate materials tax under this section, the tax imposed by the town of Scambler under this subdivision is repealed on the effective date of the Otter Tail County tax.

EFFECTIVE DATE. This section is effective the day after the governing body of the town of Scambler and its chief clerical officer comply with section 645.021, subdivisions 2 and 3.

Renumber the articles and sections in sequence

Amend the title accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1066, 1189, 1762, 2636, 2785 and 2898 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Drazkowski, Pelowski, Gunther, Dettmer, Cornish, Ruth, Shimanski and Faust introduced:

H. F. No. 3294, A bill for an act relating to public safety; expanding identity theft crime to include using another's identity to obtain employment; providing a criminal penalty; amending Minnesota Statutes 2006, section 609.527, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Solberg introduced:

H. F. No. 3295, A bill for an act relating to economic development; clarifying conflict of interest rules for local economic development authorities; providing criminal penalties; amending Minnesota Statutes 2006, section 469.098.

The bill was read for the first time and referred to the Higher Education and Work Force Development Policy and Finance Division.

Johnson, Anzelc, Howes, Bigham and Mahoney introduced:

H. F. No. 3296, A bill for an act relating to unemployment compensation; eliminating an exception to the general rule for determining independent contractor status; requiring certain audit activities; repealing Minnesota Statutes 2007 Supplement, section 268.035, subdivision 25b.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Dettmer, Haws, Tingelstad, Severson, Bigham, Berns and Wardlow introduced:

H. F. No. 3297, A bill for an act relating to the military; changing eligibility for brevet promotion; amending Minnesota Statutes 2006, section 192.20.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Dettmer, Haws, Tingelstad, Severson, Bigham, Berns and Wardlow introduced:

H. F. No. 3298, A bill for an act relating to the military; repealing authorization for the state Persian Gulf War ribbon; repealing Minnesota Statutes 2006, section 190.17.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Gunther, Erickson, Demmer, Moe and Mahoney introduced:

H. F. No. 3299, A bill for an act relating to economic development; implementing certain strategic entrepreneurial economic development initiatives; appropriating money; amending Minnesota Statutes 2006, sections 116J.03, by adding a subdivision; 116J.656; 116J.66; 116J.68; 116L.02; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L.

The bill was read for the first time and referred to the Committee on Finance.

Eastlund and Heidgerken introduced:

H. F. No. 3300, A bill for an act relating to human services; eliminating certain Minnesota health care program outreach requirements for school districts; repealing Minnesota Statutes 2007 Supplement, section 256.962, subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Kalin and Beard introduced:

H. F. No. 3301, A bill for an act relating to transportation; changing provisions relating to disclosure of construction project cost estimates and proposal scoring; amending design-build transportation project provisions; requiring compensation for certain Technical Review Committee members; modifying provisions relating to design-build requests for proposals, scoring, project awards, and protests; requiring disclosure of reasons for change in stipulated fee; requiring rejection of nonresponsive proposals; amending Minnesota Statutes 2006, sections 13.72, subdivisions 1, 11; 161.3420, subdivisions 2, 3, 4; 161.3422; 161.3426, subdivisions 1, 3, 4; repealing Minnesota Statutes 2006, section 161.3426, subdivision 2.

The bill was read for the first time and referred to the Committee on Finance.

Atkins, Bigham, Holberg, Cornish and Olin introduced:

H. F. No. 3302, A bill for an act relating to data practices; providing for the protection of written materials prepared for a closed meeting; amending Minnesota Statutes 2006, section 13D.05, subdivision 3.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Otremba, Solberg and Rukavina introduced:

H. F. No. 3303, A bill for an act relating to State Lottery; authorizing the director of the State Lottery to establish video lottery terminals; providing duties and powers to the director of the State Lottery; providing for the use of video lottery revenues; modifying certain lawful gambling taxes; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2006, sections 297A.94; 297E.02, subdivision 1; 299L.02, subdivision 1; 299L.07, subdivisions 2, 2a; 340A.410, subdivision 5; 349.15, subdivision 1, as amended; 349A.01, subdivisions 10, 11, 12, by adding subdivisions; 349A.04; 349A.06, subdivisions 1, 5, 8, 10, by adding subdivisions; 349A.08, subdivisions 1, 5, 8; 349A.09, subdivision 1; 349A.10, subdivisions 2, 3, 4, 6; 349A.11, subdivision 1; 349A.12, subdivisions 1, 2; 349A.13; 541.20; 541.21; 609.651, subdivision 1; 609.75, subdivisions 3, 4; 609.761, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 297A; 349A; repealing Minnesota Statutes 2006, sections 297E.01, subdivision 7; 297E.02, subdivisions 4, 6, 7.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Mahoney, Bunn and Berns introduced:

H. F. No. 3304, A bill for an act relating to economic development; establishing a grant program for innovative technology and economic development research at the University of Minnesota; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

The bill was read for the first time and referred to the Committee on Finance.

Thao, Lillie and Kahn introduced:

H. F. No. 3305, A bill for an act relating to bridges; requiring commissioner of transportation to post signs on certain trunk highway bridges; proposing coding for new law in Minnesota Statutes, chapter 165.

The bill was read for the first time and referred to the Committee on Finance.

Tillberry introduced:

H. F. No. 3306, A bill for an act relating to securities; modifying the Minnesota Securities Act; regulating registrations, filings, and fees; making various technical changes; amending Minnesota Statutes 2006, sections 80A.40; 80A.41; 80A.46; 80A.50; 80A.52; 80A.54; 80A.55; 80A.56; 80A.57; 80A.58; 80A.60; 80A.65, subdivision 2, by adding a subdivision; 80A.66; 80A.67; 80A.76; 80A.82; 80A.83; 80A.85; 80A.87.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Hornstein and Wagenius introduced:

H. F. No. 3307, A bill for an act relating to solid waste management; allowing recipients to be removed from the distribution list for telephone directories; amending Minnesota Statutes 2006, section 115A.951, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Abeler, Walker and Thao introduced:

H. F. No. 3308, A bill for an act relating to health occupations; modifying provisions for licensed professional clinical counselors; amending Minnesota Statutes 2006, sections 245.462, subdivision 18; 245.470, subdivision 1; 245.4871, subdivision 27; 245.488, subdivision 1; 256B.0624, subdivisions 5, 8; 256B.0943, subdivision 1; 256J.08, subdivision 73a; Minnesota Statutes 2007 Supplement, section 256B.0623, subdivision 5.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Pelowski introduced:

H. F. No. 3309, A bill for an act relating to state government; codifying the transfer of employee relations duties to the Department of Finance and other agencies; amending Minnesota Statutes 2006, sections 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.055, subdivision 1; 16B.87, subdivision 1; 43A.04, subdivisions 1, 9; 43A.044; 43A.05, subdivisions 1, 6; 43A.06, subdivisions 1, 3; 43A.08, subdivision 1a; 43A.17, subdivision 8; 43A.183, subdivisions 3, 4, 5; 43A.23, subdivision 2; 43A.30, subdivisions 4, 5; 43A.311; 43A.48; 176.541, subdivisions 2, 3, 4, 6; 176.571; 176.572; 176.581; 176.591, subdivision 3; 176.603; 176.611, subdivisions 2, 2a, 3a; 356.215, subdivision 2a; Minnesota Statutes 2007 Supplement, sections 16B.04, subdivision 2; 43A.50, subdivisions 1, 2; 136F.42, subdivision 1; 353.03, subdivision 3; repealing Minnesota Statutes 2006, sections 43A.03; 176.5401.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Nornes, Magnus and Hamilton introduced:

H. F. No. 3310, A bill for an act relating to human services; increasing payment rates for nursing facilities in Fergus Falls and Luverne to the geographic group III median rate; amending Minnesota Statutes 2006, section 256B.434, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Atkins introduced:

H. F. No. 3311, A bill for an act relating to retirement; general employees retirement plan of the Public Employees Retirement Association; authorizing revocation of retirement annuity application in favor of disability benefit application in certain instances.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Olin introduced:

H. F. No. 3312, A bill for an act relating to natural resources; modifying the maximum amount allowed in a drainage system repair fund; amending Minnesota Statutes 2006, section 103E.735, subdivision 1.

The bill was read for the first time and referred to the Committee on Finance.

Erickson introduced:

H. F. No. 3313, A bill for an act relating to counties; authorizing interim use ordinances; amending Minnesota Statutes 2006, section 394.26; proposing coding for new law in Minnesota Statutes, chapter 394.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Erickson introduced:

H. F. No. 3314, A bill for an act relating to capital improvements; appropriating money for a new dam for the Platte River Watershed in Morrison County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Mahoney, Carlson, Ruud and Solberg introduced:

H. F. No. 3315, A bill for an act relating to taxation; allowing additional research and development credit for small businesses; appropriating money; amending Minnesota Statutes 2006, section 290.068, subdivision 3, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Taxes.

Mariani, Dittrich, Erickson and Greiling introduced:

H. F. No. 3316, A bill for an act relating to education; providing for prekindergarten through grade 12 education, including general education, education excellence, special programs, libraries, and self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 120A.05, subdivision 10a; 120B.02; 120B.023, subdivision 2; 120B.131, subdivision 2; 120B.31, subdivision 4; 122A.07, subdivisions 2, 3; 122A.60; 122A.61, subdivision 1; 123B.14, subdivision 7; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 124D.10, subdivisions 2a, 4a, 6a, 7, 8, 23; 124D.522; 124D.55; 124D.60, subdivision 1; 125A.744, subdivision 3; 125B.07, by adding a subdivision; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.15; 120B.30, subdivisions 1, 1a; 123B.81, subdivision 4; 124D.095, subdivision 4; 124D.10, subdivisions 4, 23a; 125A.56; 126C.10, subdivision 34; 127A.49, subdivisions 2, 3; 134.31, subdivision 4a.

The bill was read for the first time and referred to the Committee on E-12 Education.

Kranz introduced:

H. F. No. 3317, A bill for an act relating to crimes; including possession of machine guns and short-barreled shotguns to list of crimes against a person for registration under the Predatory Offender Registration Law; amending Minnesota Statutes 2007 Supplement, section 243.167, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Kranz and Cornish introduced:

H. F. No. 3318, A bill for an act relating to public safety; adding possession of machine guns and short-barreled shotguns to the list of crimes against a person requiring registration under the Predatory Offender Registration Law; amending Minnesota Statutes 2007 Supplement, section 243.167, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Kranz introduced:

H. F. No. 3319, A bill for an act relating to public safety; modifying reporting of firearm discharge; amending Minnesota Statutes 2006, section 626.553, subdivision 2.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Nelson introduced:

H. F. No. 3320, A bill for an act relating to retirement; first class city teacher retirement fund associations; correcting special direct state aid references; amending Minnesota Statutes 2006, section 354A.12, subdivision 3a; Minnesota Statutes 2007 Supplement, section 354A.12, subdivision 3c.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Faust and Hilty introduced:

H. F. No. 3321, A bill for an act relating to education finance; authorizing an account transfer for Independent School District No. 2580, East Central.

The bill was read for the first time and referred to the Committee on Finance.

Nelson introduced:

H. F. No. 3322, A bill for an act relating to municipalities; authorizing municipalities to establish street improvement districts and apportion street improvement fees within districts; requiring adoption of street improvement plan; authorizing collection of fees; proposing coding for new law in Minnesota Statutes, chapter 435.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Hornstein introduced:

H. F. No. 3323, A bill for an act relating to local government; authorizing the Minneapolis Park and Recreation Board and the city of Minneapolis to adopt standards for dedication of land to the public or a payment of a dedication fee on certain new commercial and industrial development; amending Laws 2006, chapter 269, section 2.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Paymar; Murphy, E.; Mullery; Erhardt; Johnson; Peterson, N.; Walker and Slocum introduced:

H. F. No. 3324, A bill for an act relating to public safety; modifying provisions related to the transfer of pistols or semiautomatic military-style assault weapons; amending Minnesota Statutes 2006, sections 624.7131, subdivisions 1, 4, 7; 624.7132, subdivisions 1, 3, 4, 5, 6, 12, 13, by adding subdivisions; repealing Minnesota Statutes 2006, sections 624.7131, subdivision 10; 624.7132, subdivisions 8, 10, 14.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Tschumper introduced:

H. F. No. 3325, A bill for an act relating to health; clarifying the purposes of the health care access fund; eliminating certain transfers from the health care access fund; amending Minnesota Statutes 2006, section 16A.724, by adding subdivisions; Minnesota Statutes 2007 Supplement, section 16A.724, subdivision 2; repealing Minnesota Statutes 2006, section 295.581; Minnesota Statutes 2007 Supplement, section 16A.724, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Eastlund introduced:

H. F. No. 3326, A bill for an act relating to natural resources; requiring an experimental iron treatment to reduce phosphorus levels in Rush Lake.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Beard introduced:

H. F. No. 3327, A bill for an act relating to telecommunications; modifying provisions relating to alternative regulation plans; amending Minnesota Statutes 2006, section 237.766, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Anzelski introduced:

H. F. No. 3328, A bill for an act relating to natural resources; creating a Minnesota forests for the future program; proposing coding for new law in Minnesota Statutes, chapter 84.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Brynaert; Wardlow; Slocum; Mariani; Peterson, S.; Greiling; Swails; Murphy, E.; Hosch; Bly; Dittrich; Benson; Morrow; Kalin; Laine; Brown; Winkler; Loeffler; Hornstein; Davnie; Marquart; Ward; Slawik; Bunn; Tillberry; Morgan; Kelliher and Madore introduced:

H. F. No. 3329, A bill for an act relating to education; establishing state measures of academic success; amending Minnesota Statutes 2006, sections 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; Minnesota Statutes 2007 Supplement, section 120B.30; proposing coding for new law in Minnesota Statutes, chapter 120B.

The bill was read for the first time and referred to the Committee on E-12 Education.

Dill and Cornish introduced:

H. F. No. 3330, A bill for an act relating to game and fish; requiring a report on uncased firearms.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Simon, Hilstrom and Bigham introduced:

H. F. No. 3331, A bill for an act relating to public safety; adding the definitions of retail property and retail establishment under theft; creating new penalties for retail theft and possession or use of shoplifting gear; amending Minnesota Statutes 2006, sections 609.52, subdivisions 1, 2, by adding a subdivision; 609.521; Minnesota Statutes 2007 Supplement, section 609.52, subdivision 3.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Dill introduced:

H. F. No. 3332, A bill for an act relating to commerce; regulating surcharges on credit cards; amending Minnesota Statutes 2006, section 325G.051, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Murphy, E.; Greiling; Sailer; Bigham; Knuth; Moe; Wagenius; Bly and Tschumper introduced:

H. F. No. 3333, A bill for an act relating to health; establishing a standard of protection for the risk of cancer and requiring modification of rules; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Magnus, Hilty, Westrom, Sailer, Hackbarth, Ozment, Heidgerken, Hamilton, Gunther and Juhnke introduced:

H. F. No. 3334, A bill for an act relating to energy; enacting local renewable energy initiative to finance small-scale renewable energy projects; authorizing sale and issuance of revenue bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

The bill was read for the first time and referred to the Committee on Finance.

Solberg introduced:

H. F. No. 3335, A bill for an act relating to health; requiring disclosure of contracts between health plan companies and hospitals; proposing coding for new law in Minnesota Statutes, chapter 62J.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Drazkowski, Zellers, Urdahl, Wardlow and Erhardt introduced:

H. F. No. 3336, A bill for an act relating to taxation; property; prohibiting an increase in taxable market value for homesteads owned by persons age 65 years or older; amending Minnesota Statutes 2006, sections 273.11, subdivision 5, by adding a subdivision; 273.121; 276.04, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Drazkowski introduced:

H. F. No. 3337, A bill for an act relating to state lands; permitting local units of government to petition for a public hearing when additions to the state park system are proposed; amending Minnesota Statutes 2006, section 85.0115.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Drazkowski, Pelowski, Shimanski and Dettmer introduced:

H. F. No. 3338, A bill for an act relating to taxation; exempting certain mortgages from mortgage registry tax; amending Minnesota Statutes 2006, section 287.04.

The bill was read for the first time and referred to the Committee on Taxes.

Loeffler and Walker introduced:

H. F. No. 3339, A bill for an act relating to human services; increasing payment rates for nursing facilities in Minneapolis to the geographic group III median rate; amending Minnesota Statutes 2006, section 256B.434, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Bigham, Lesch and Simpson introduced:

H. F. No. 3340, A bill for an act relating to public safety; modifying theft penalties; amending Minnesota Statutes 2007 Supplement, section 609.52, subdivision 3.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Juhnke and Urdahl introduced:

H. F. No. 3341, A bill for an act relating to wastewater treatment; providing for additional wastewater treatment loan amounts for the cities of Litchfield and Willmar.

The bill was read for the first time and referred to the Committee on Finance.

Bigham, Mullery, Simon, Smith and Kohls introduced:

H. F. No. 3342, A bill for an act relating to public safety; registration procedure for predatory offenders being released from a correctional facility and not going to a new primary address; clarifying sufficiency of notice for verification of a person's address for the registration of predatory offenders; making further clarification that registration of predatory offenders applies to offenders who move to Minnesota from other states; requiring predatory offender registration database checks for persons booked at jails; providing criminal penalties; amending Minnesota Statutes 2006, sections 243.166, subdivisions 3a, 4; 243.167, subdivision 2; 641.05.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Juhnke and Hilty introduced:

H. F. No. 3343, A bill for an act relating to energy; creating wind energy conversion system aggregation program; creating an account; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216F.

The bill was read for the first time and referred to the Committee on Finance.

Severson, Haws, Dettmer and Wardlow introduced:

H. F. No. 3344, A bill for an act relating to veterans; changing veteran's preference provisions; amending Minnesota Statutes 2006, sections 43A.11, subdivision 7; 197.455, subdivision 8.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Sertich introduced:

H. F. No. 3345, A bill for an act relating to economic development; allowing Explore Minnesota Tourism to provide a grant to the Minnesota Film and TV Board; appropriating money.

The bill was read for the first time and referred to the Committee on Finance.

Davnie; Clark; Lanning; Moe; Peterson, N.; Mahoney and Dominguez introduced:

H. F. No. 3346, A bill for an act relating to housing; providing assistance to prevent mortgage foreclosure; increasing the maximum amount of financial assistance; amending Minnesota Statutes 2006, section 462A.209, subdivision 7.

The bill was read for the first time and referred to the Committee on Finance.

Moe, Ward, Mariani, Greiling, Dittrich, Benson, Ruud, Kranz, Davnie, Morrow, Morgan, Slocum and Simon introduced:

H. F. No. 3347, A bill for an act relating to education; clarifying the appeals process for adequate yearly progress designations; amending Minnesota Statutes 2007 Supplement, section 120B.36, subdivision 1.

The bill was read for the first time and referred to the Committee on E-12 Education.

FISCAL CALENDAR

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 2800.

H. F. No. 2800 was reported to the House.

Berns moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 19, line 22, after "section" insert "upon approval of the county voters at a general election."

Page 24, line 1, delete "This section"

Page 24, delete line 2

A roll call was requested and properly seconded.

The question was taken on the Berns amendment and the roll was called. There were 54 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Hoppe	McNamara	Shimanski
Anderson, B.	DeLaForest	Gardner	Howes	Nornes	Simpson
Anderson, S.	Demmer	Garofalo	Kohls	Norton	Smith
Beard	Dettmer	Gottwalt	Kranz	Olson	Swails
Berns	Dittrich	Gunther	Lanning	Paulsen	Tingelstad
Brod	Drazkowski	Hackbarth	Lenczewski	Peppin	Urdahl
Buesgens	Eastlund	Hamilton	Loeffler	Ruud	Wardlow
Bunn	Emmer	Hansen	Magnus	Seifert	Westrom
Cornish	Erickson	Holberg	McFarlane	Severson	Zellers

Those who voted in the negative were:

Anzelc	Brown	Dill	Faust	Heidgerken	Hosch
Atkins	Brynaert	Dominguez	Fritz	Hilstrom	Huntley
Benson	Carlson	Doty	Greiling	Hilty	Jaros
Bigham	Clark	Eken	Hausman	Hornstein	Johnson
Bly	Davnie	Erhardt	Haws	Hortman	Juhnke

Kahn	Madore	Murphy, E.	Peterson, N.	Slocum	Welti
Kalin	Mahoney	Murphy, M.	Peterson, S.	Solberg	Winkler
Knuth	Mariani	Nelson	Poppe	Thao	Wollschlager
Koenen	Marquart	Olin	Rukavina	Thissen	Spk. Kelliher
Laine	Masin	Otremba	Sailer	Tillberry	
Lesch	Moe	Ozment	Scalze	Tschumper	
Liebling	Morgan	Paymar	Sertich	Wagenius	
Lieder	Morrow	Pelowski	Simon	Walker	
Lillie	Mullery	Peterson, A.	Slawik	Ward	

The motion did not prevail and the amendment was not adopted.

The Speaker called Thissen to the Chair.

Kohls moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 24, after line 22, insert:

"Sec. 4. **MATCHING REDUCTIONS.**

Any tax increase in this act that provides additional funds to a local government unit must be matched by a dollar for dollar reduction in property taxes by the local government unit."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kohls amendment and the roll was called. There were 34 yeas and 98 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cornish	Emmer	Hackbarth	McNamara	Shimanski
Anderson, S.	Dean	Erickson	Hamilton	Olson	Smith
Beard	DeLaForest	Finstad	Holberg	Paulsen	Westrom
Berns	Dettmer	Garofalo	Hoppe	Peppin	Zellers
Brod	Drazkowski	Gottwalt	Kohls	Seifert	
Buesgens	Eastlund	Gunther	Magnus	Severson	

Those who voted in the negative were:

Abeler	Brown	Demmer	Erhardt	Hausman	Hortman
Anzelc	Brynaert	Dill	Faust	Haws	Hosch
Atkins	Bunn	Dittrich	Fritz	Heidgerken	Howes
Benson	Carlson	Dominguez	Gardner	Hilstrom	Huntley
Bigham	Clark	Doty	Greiling	Hilty	Jaros
Bly	Davnie	Eken	Hansen	Hornstein	Johnson

Juhnke	Lieder	Morrow	Pelowski	Simpson	Wagenius
Kahn	Lillie	Mullery	Peterson, A.	Slawik	Walker
Kalin	Loeffler	Murphy, E.	Peterson, N.	Slocum	Ward
Knuth	Madore	Murphy, M.	Peterson, S.	Solberg	Welti
Koenen	Mahoney	Nelson	Poppe	Swails	Winkler
Kranz	Mariani	Nornes	Rukavina	Thao	Wollschlager
Laine	Marquart	Norton	Ruud	Thissen	Spk. Kelliher
Lanning	Masin	Olin	Sailer	Tillberry	
Lenczewski	McFarlane	Otremba	Scalze	Tingelstad	
Lesch	Moe	Ozment	Sertich	Tschumper	
Liebling	Morgan	Paymar	Simon	Urdahl	

The motion did not prevail and the amendment was not adopted.

Buesgens, Garofalo, Peppin, Dean, Wardlow, Hackbarth, Zellers and Beard moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 24, delete article 5 and insert:

"ARTICLE 5

COUNTY STATE-AID HIGHWAY FUND DISTRIBUTION

Section 1. Minnesota Statutes 2006, section 162.07, subdivision 1, is amended to read:

Subdivision 1. **Formula.** After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

~~(a) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.~~

~~(b)~~ (a) An amount equal to ~~ten~~ 40 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

~~(c) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane miles of approved county state aid highways bears to the total lane miles of approved statewide county state aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane miles rather than miles of approved county state aid highways, an apportionment that is less than its apportionment in 1996.~~

~~(d)~~ (b) An amount equal to ~~50~~ 60 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; ~~provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.~~"

Correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens et al amendment and the roll was called. There were 27 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bunn	Garofalo	Masin	Peppin	Wardlow
Beard	Dean	Hackbarth	McFarlane	Ruud	Zellers
Benson	DeLaForest	Hoppe	McNamara	Smith	
Berns	Dittrich	Kohls	Morgan	Swails	
Buesgens	Emmer	Madore	Paulsen	Tillberry	

Those who voted in the negative were:

Anderson, S.	Eastlund	Hornstein	Lieder	Ozment	Solberg
Anzelc	Eken	Hortman	Lillie	Paymar	Thao
Atkins	Erhardt	Hosch	Loeffler	Pelowski	Thissen
Bigham	Erickson	Howes	Magnus	Peterson, A.	Tingelstad
Bly	Faust	Huntley	Mahoney	Peterson, N.	Tschumper
Brod	Finstad	Jaros	Mariani	Peterson, S.	Urdahl
Brown	Fritz	Johnson	Marquart	Poppe	Wagenius
Brynaert	Gardner	Juhnke	Moe	Rukavina	Walker
Carlson	Gottwalt	Kahn	Morrow	Sailer	Ward
Clark	Greiling	Kalin	Mullery	Scalze	Welti
Cornish	Gunther	Knuth	Murphy, E.	Seifert	Westrom
Davnie	Hamilton	Koenen	Murphy, M.	Sertich	Winkler
Demmer	Hansen	Kranz	Nelson	Severson	Wollschlager
Dettmer	Hausman	Laine	Nornes	Shimanski	Spk. Kelliher
Dill	Haws	Lanning	Norton	Simon	
Dominguez	Heidgerken	Lenczewski	Olin	Simpson	
Doty	Hilstrom	Lesch	Olson	Slawik	
Drazkowski	Hilty	Liebling	Otremba	Slocum	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Holberg, Garofalo, McNamara, Beard, Buesgens, Wardlow, Dettmer, Kohls, DeLaForest, Zellers and Dean moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 23, line 14, after "11," insert "and the subtraction under section 473.446, subdivision 9."

Page 24, after line 22, insert:

"Sec. 4. Minnesota Statutes 2006, section 473.446, is amended by adding a subdivision to read:

Subd. 9. **Payment of obligations.** The commissioner of revenue shall remit the amount needed to pay all bonds and obligations that were previously paid from the property tax levied under subdivision 1, from the proceeds raised by the taxes under section 297A.992, to the Metropolitan Council.

EFFECTIVE DATE. This section is effect in the first full calendar year in which the sales tax under section 297A.992 is first imposed.

Sec. 5. **REPEALER.**

Minnesota Statutes 2006, section 473.446, subdivisions 1 and 2, are repealed.

EFFECTIVE DATE. This section is effective for taxes payable in the first full calendar year in which sales tax under section 297A.992 is first imposed."

A roll call was requested and properly seconded.

The question was taken on the Holberg et al amendment and the roll was called. There were 48 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Emmer	Holberg	McNamara	Shimanski
Anderson, B.	Dean	Erickson	Hoppe	Nornes	Simpson
Anderson, S.	DeLaForest	Finstad	Howes	Olson	Smith
Beard	Demmer	Garofalo	Kohls	Paulsen	Swails
Benson	Dettmer	Gottwalt	Kranz	Peppin	Tingelstad
Berns	Dittrich	Gunther	Lanning	Ruud	Wardlow
Brod	Drazkowski	Hackbarth	Magnus	Seifert	Westrom
Buesgens	Eastlund	Hamilton	McFarlane	Severson	Zellers

Those who voted in the negative were:

Anzelc	Faust	Johnson	Mariani	Pelowski	Tillberry
Atkins	Fritz	Juhnke	Marquart	Peterson, A.	Tschumper
Bigham	Gardner	Kahn	Masin	Peterson, N.	Urdahl
Bly	Greiling	Kalin	Moe	Peterson, S.	Wagenius
Brown	Hansen	Knuth	Morgan	Poppe	Walker
Brynaert	Hausman	Koenen	Morrow	Rukavina	Ward
Bunn	Haws	Laine	Mullery	Sailer	Welti
Carlson	Heidgerken	Lenczewski	Murphy, E.	Scalze	Winkler
Clark	Hilstrom	Lesch	Murphy, M.	Sertich	Wollschlager
Davnie	Hilty	Liebling	Nelson	Simon	Spk. Kelliher
Dill	Hornstein	Lieder	Norton	Slawik	
Dominguez	Hortman	Lillie	Olin	Slocum	
Doty	Hosch	Loeffler	Otremba	Solberg	
Eken	Huntley	Madore	Ozment	Thao	
Erhardt	Jaros	Mahoney	Paymar	Thissen	

The motion did not prevail and the amendment was not adopted.

Magnus and Buesgens moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 8, line 10, delete "1,717,694,000" and insert "1,721,993,000"

Page 8, line 21, delete "417,694,000" and insert "421,993,000"

Page 8, line 22, delete "71,008,000" and insert "71,739,000"

Page 10, delete lines 8 to 14

Renumber the sections in sequence and correct the internal references

Correct the totals and the appropriations by fund accordingly

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Olson, Heidgerken and McNamara moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 36, after line 19, insert:

"ARTICLE 7

CONSTITUTIONAL AMENDMENT

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 5, will read:

Sec. 5. Public debt may be contracted and works of internal improvements carried on for the following purposes:

(a) to acquire and to better public land and buildings and other public improvements of a capital nature and to provide money to be appropriated or loaned to any agency or political subdivision of the state for such purposes if the law authorizing the debt is adopted by the vote of at least three-fifths of the members of each house of the legislature;

(b) to repel invasion or suppress insurrection;

(c) to borrow temporarily as authorized in section 6;

(d) to refund outstanding bonds of the state or any of its agencies whether or not the full faith and credit of the state has been pledged for the payment of the bonds;

(e) to establish and maintain highways ~~subject to the limitations of article XIV;~~

(f) to promote forestation and prevent and abate forest fires, including the compulsory clearing and improving of wild lands whether public or private;

(g) to construct, improve and operate airports and other air navigation facilities;

(h) to develop the state's agricultural resources by extending credit on real estate security in the manner and on the terms and conditions prescribed by law;

(i) to improve and rehabilitate railroad rights-of-way and other rail facilities whether public or private, provided that bonds issued and unpaid shall not at any time exceed \$200,000,000 par value; and

(j) as otherwise authorized in this constitution.

As authorized by law political subdivisions may engage in the works permitted by (f), (g), and (i) and contract debt therefor.

Until 2034, 50 percent of public debt authorized by law in a year under this section must be for transportation purposes, as defined by law.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment must be submitted to the people at the 2008 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to permit the use of state general obligation bonds as an additional revenue source for trunk highway funding and require that at least 50 percent of public debt authorized by law each year until 2034 be dedicated to transportation purposes?"

Yes
No

A roll call was requested and properly seconded.

The question was taken on the Olson et al amendment and the roll was called. There were 40 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Erickson	Holberg	Olson	Smith
Anderson, B.	Dean	Finstad	Hoppe	Paulsen	Urdahl
Anderson, S.	DeLaForest	Gottwalt	Howes	Peppin	Wardlow
Beard	Dettmer	Gunther	Kohls	Seifert	Westrom
Berns	Drazkowski	Hackbarth	Magnus	Severson	Zellers
Brod	Eastlund	Hamilton	McNamara	Shimanski	
Buesgens	Emmer	Heidgerken	Nornes	Simpson	

Those who voted in the negative were:

Anzenc	Bly	Carlson	Dill	Eken	Gardner
Atkins	Brown	Clark	Dittrich	Erhardt	Garofalo
Benson	Brynaert	Davnie	Dominguez	Faust	Greiling
Bigham	Bunn	Demmer	Doty	Fritz	Hansen

Hausman	Kalin	Madore	Nelson	Ruud	Tingelstad
Haws	Knuth	Mahoney	Norton	Sailer	Tschumper
Hilstrom	Koenen	Mariani	Olin	Scalze	Wagenius
Hilty	Kranz	Marquart	Otremba	Sertich	Walker
Hornstein	Laine	Masin	Ozment	Simon	Ward
Hortman	Lanning	McFarlane	Paymar	Slawik	Welti
Hosch	Lenczewski	Moe	Pelowski	Slocum	Winkler
Huntley	Lesch	Morgan	Peterson, A.	Solberg	Wollschlager
Jaros	Liebling	Morrow	Peterson, N.	Swails	Spk. Kelliher
Johnson	Lieder	Mullery	Peterson, S.	Thao	
Juhnke	Lillie	Murphy, E.	Poppe	Thissen	
Kahn	Loeffler	Murphy, M.	Rukavina	Tillberry	

The motion did not prevail and the amendment was not adopted.

Olson; Buesgens; Gottwalt; Dettmer; Anderson, B.; Dean; Peppin; Seifert; Eastlund; Shimanski; Finstad; Emmer; Paulsen; Magnus; Hackbarth; Severson; Brod; Kohls and Zellers moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 13, line 28, delete "HIGHWAY USER" and insert "STATE"

Page 13, after line 28, insert:

"Section 1. **PURPOSE.**

In order to avoid increasing the risk of economic recession in Minnesota while still meeting the state's significant transportation and transit needs, the legislature finds it necessary to implement individual income tax rate reductions to offset the state transportation tax increases in this article."

Page 15, after line 22, insert:

"Sec. 3. Minnesota Statutes 2006, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$25,680, ~~5.35~~ 5.3 percent;
- (2) On all over \$25,680, but not over \$102,030, ~~7.05~~ 7 percent;
- (3) On all over \$102,030, ~~7.85~~ 7.8 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$17,570, ~~5.35~~ 5.3 percent;

(2) On all over \$17,570, but not over \$57,710, ~~7.05~~ 7 percent;

(3) On all over \$57,710, ~~7.85~~ 7.8 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

(1) On the first \$21,630, ~~5.35~~ 5.3 percent;

(2) On all over \$21,630, but not over \$86,910, ~~7.05~~ 7 percent;

(3) On all over \$86,910, ~~7.85~~ 7.8 percent.

For taxable years beginning after December 31, 2008, and before January 1, 2011, all of the percentage rates in this section are reduced by two-tenths of one percent, to 5.15, 6.85, and 7.65 percent. For taxable years beginning after December 31, 2010, all of the percentage rates in this section are reduced by 35 hundredths of one percent, to 5, 6.7, and 7.5 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), and (9), and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtractions under section 290.01, subdivision 19b, clauses (9), (10), (14), (15), and (16), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), and (9), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (9), (10), (14), (15), and (16).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2007."

Page 16, after line 9, insert:

"Sec. 5. Minnesota Statutes 2006, section 290.091, subdivision 1, is amended to read:

Subdivision 1. **Imposition of tax.** In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to ~~6.4~~ 6.2 percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2008.

Sec. 6. Minnesota Statutes 2006, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code:

(A) for taxable years beginning before January 1, 2006, to the extent that the deduction exceeds 1.0 percent of adjusted gross income;

(B) for taxable years beginning after December 31, 2005, to the full extent of the deduction.

For purposes of this clause, "adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

(6) the amount of addition required by section 290.01, subdivision 19a, clauses (7), (8), and (9);

less the sum of the amounts determined under the following:

- (1) interest income as defined in section 290.01, subdivision 19b, clause (1);
- (2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;
- (3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and
- (4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (9) to (16).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

- (b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.
- (c) "Tentative minimum tax" equals ~~6.4~~ 6.2 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.
- (d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.
- (e) "Net minimum tax" means the minimum tax imposed by this section.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2008.

Sec. 7. Minnesota Statutes 2006, section 290.091, subdivision 6, is amended to read:

Subd. 6. **Credit for prior years' liability.** (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

- (1) the regular tax, over
 - (2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.
- (b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of
- (1) the tentative minimum tax, over
 - (2) ~~6.4~~ 6.2 percent of the sum of
 - (i) adjusted gross income as defined in section 62 of the Internal Revenue Code,
 - (ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1), determined without regard to the last sentence of paragraph (1), of the Internal Revenue Code, less

(v) the deductions allowed in computing alternative minimum taxable income provided in subdivision 2, paragraph (a), clause (2) of the first series of clauses and clauses (1), (2), and (3) of the second series of clauses, and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson et al amendment and the roll was called. There were 41 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Erickson	Holberg	McNamara	Shimanski
Anderson, S.	DeLaForest	Finstad	Hoppe	Nornes	Simpson
Beard	Demmer	Garofalo	Howes	Olson	Smith
Berns	Dettmer	Gottwalt	Kohls	Paulsen	Wardlow
Brod	Drazkowski	Gunther	Lanning	Peppin	Westrom
Buesgens	Eastlund	Hackbarth	Magnus	Seifert	Zellers
Cornish	Emmer	Hamilton	McFarlane	Severson	

Those who voted in the negative were:

Abeler	Dittrich	Hilstrom	Kranz	Moe	Peterson, A.
Anzelc	Dominguez	Hilty	Laine	Morgan	Peterson, N.
Atkins	Doty	Hornstein	Lenczewski	Morrow	Peterson, S.
Benson	Eken	Hortman	Lesch	Mullery	Poppe
Bigham	Erhardt	Hosch	Liebling	Murphy, E.	Rukavina
Bly	Faust	Huntley	Lieder	Murphy, M.	Ruud
Brown	Fritz	Jaros	Lillie	Nelson	Sailer
Brynaert	Gardner	Johnson	Loeffler	Norton	Scalze
Bunn	Greiling	Juhnke	Madore	Olin	Sertich
Carlson	Hansen	Kahn	Mahoney	Otremba	Simon
Clark	Hausman	Kalin	Mariani	Ozment	Slawik
Davnie	Haws	Knuth	Marquart	Paymar	Slocum
Dill	Heidgerken	Koenen	Masin	Pelowski	Solberg

Swails	Tillberry	Urdahl	Ward	Wollschlager
Thao	Tingelstad	Wagenius	Wolti	Spk. Kelliher
Thissen	Tschumper	Walker	Winkler	

The motion did not prevail and the amendment was not adopted.

Lieder, Benson and Loeffler moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 1, delete lines 29 to 31

Page 2, delete lines 1 to 2 and insert:

"General Fund	<u>0</u>	<u>2,775,000</u>	<u>2,775,000</u>
Trunk Highway	<u>55,000,000</u>	<u>163,250,000</u>	<u>218,250,000</u>
C.S.A.H.	<u>0</u>	<u>50,173,000</u>	<u>50,173,000</u>
M.S.A.S.	<u>0</u>	<u>13,179,000</u>	<u>13,179,000</u>
Total	<u>\$55,000,000</u>	<u>\$229,377,000</u>	<u>\$284,377,000</u>

Page 2, line 19, delete "154,242,000" and insert "148,399,000"

Page 2, delete lines 22 to 25 and insert:

"General Fund	<u>0</u>	<u>2,450,000</u>
Trunk Highway	<u>0</u>	<u>82,597,000</u>
C.S.A.H.	<u>0</u>	<u>50,173,000</u>
M.S.A.S.	<u>0</u>	<u>13,179,000</u>

Page 2, line 31, after the period, insert "This is a onetime appropriation."

Page 3, line 17, after the period, insert "This is a onetime appropriation."

Page 3, line 19, delete "43,205,000" and insert "41,352,000"

Page 3, line 20, delete "35,549,000" and insert "34,034,000"

Page 3, line 25, after the period, insert "This is a onetime appropriation."

Page 4, line 5, delete "52,133,000" and insert "50,173,000"

Page 4, line 9, delete "13,694,000" and insert "13,179,000"

Page 7, line 29, delete "IX" and insert "XI"

Page 15, delete lines 19 to 22 and insert:

"EFFECTIVE DATE. This section is effective the day following final enactment, and applies to any annual additional tax for a registration period that starts on or after September 1, 2008, through August 31, 2009."

Page 19, line 5, delete "(i)"

Page 19, delete lines 6 to 9 and insert "Ramsey, Scott, or Washington:"

Page 19, line 23, delete "one-half" and insert "one-quarter"

Page 19, delete lines 29 to 30

Page 19, line 31, delete "(c)" and insert "(b)"

Page 21, delete line 36 and insert "only for the following transit purposes:"

Page 22, delete line 1

Page 22, line 9, delete the semicolon and insert a period

Page 22, delete lines 10 to 14

Page 22, line 18, delete the second "the" and insert "planning, studies, design, construction, maintenance, and operation of pedestrian programs and bicycle programs and pathways."

Page 22, delete line 19

Page 24, line 9, before "one-half" insert "up to"

Page 36, after line 9, insert:

"Subd. 3. **Application.** This section only applies if a county has imposed the metropolitan transportation sales and use tax under section 297A.992."

Page 36, after line 19, insert:

"Sec. 8. **TRANSPORTATION STRATEGIC MANAGEMENT AND OPERATIONS ADVISORY TASK FORCE.**

Subdivision 1. **Establishment; duties.** A task force is established to advise the governor and the legislature on management and operations strategies that will improve efficiency in transportation. The task force must provide an assessment that identifies strategies and makes recommendations, including any proposals for legislative changes, to improve efficiency in (1) state transportation construction and maintenance projects, and (2) management of state transportation infrastructure. In developing its assessment, the task force may consider best practices in business and construction management; efficiency concepts in academic, business, or other environments; and, how requirements under law affect transportation efficiency. The assessment provided by the task force must include, but is not limited to, analysis of the project development process, cost estimation, bidding and award of contracts, contract management, cost overruns, and construction project oversight by the Department of Transportation.

Subd. 2. **Membership.** The advisory task force consists of the following members:

(1) the commissioner of transportation, or the commissioner's designee;

(2) the chair of the Metropolitan Council, or the chair's designee;

(3) one person appointed by the governor as a representative of the construction industry, who has expertise in transportation construction projects;

(4) three persons appointed by the governor from a postsecondary academic institution, who have expertise in applied economics, organizational efficiency, or business management;

(5) three persons appointed by the governor from the private sector, who have expertise in management or corporate efficiency but would not qualify for membership under clause (3);

(6) two members of the house of representatives appointed by the speaker of the house of representatives;

(7) one person appointed by the speaker of the house of representatives who is a member of organized labor;

(8) two members of the senate appointed by the senate committee on rules and administration under the rules of the senate; and

(9) one person appointed by the senate committee on rules and administration under the rules of the senate who is a member of organized labor.

Subd. 3. **Appointment of members.** The appointments and designations authorized by this section must be completed by August 1, 2008.

Subd. 4. **Staffing support.** Upon request of the task force, the commissioner of administration must provide meeting space and administrative services. The commissioner of transportation shall provide information and other assistance as requested by the task force.

Subd. 5. **Administrative provisions.** (a) The commissioner of transportation, or the commissioner's designee, must convene the initial meeting of the task force. The members of the task force must elect a chair or cochaIRS at the initial meeting.

(b) Public members of the task force serve without compensation or payment of expenses.

(c) The task force may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received under this paragraph are appropriated to the commissioner of administration for purposes of the task force.

(d) The task force expires May 31, 2009.

Subd. 6. **Report.** By December 15, 2008, the task force shall submit a report on transportation management and operations efficiency strategies to the governor and to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance.

EFFECTIVE DATE. This section is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lieder et al amendment and the roll was called. There were 98 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Abeler	Doty	Huntley	Mahoney	Paulsen	Thao
Anzelc	Eken	Jaros	Mariani	Paymar	Thissen
Atkins	Erhardt	Johnson	Marquart	Pelowski	Tillberry
Benson	Faust	Juhnke	Masin	Peterson, A.	Tingelstad
Berns	Fritz	Kahn	McFarlane	Peterson, N.	Tschumper
Bigham	Gardner	Kalin	McNamara	Peterson, S.	Wagenius
Bly	Greiling	Knuth	Moe	Poppe	Walker
Brown	Hamilton	Koenen	Morgan	Rukavina	Ward
Brynaert	Hansen	Kranz	Morrow	Ruud	Wardlow
Bunn	Hausman	Laine	Mullery	Sailer	Welti
Carlson	Haws	Lenczewski	Murphy, E.	Scalze	Winkler
Clark	Hilstrom	Lesch	Murphy, M.	Sertich	Wollschlager
Davnie	Hilty	Liebling	Nelson	Simon	Spk. Kelliher
Demmer	Hornstein	Lieder	Norton	Slawik	
Dill	Hortman	Lillie	Olin	Slocum	
Dittrich	Hosch	Loeffler	Otremba	Solberg	
Dominguez	Howes	Madore	Ozment	Swails	

Those who voted in the negative were:

Anderson, B.	Dean	Erickson	Heidgerken	Olson	Smith
Anderson, S.	DeLaForest	Finstad	Holberg	Peppin	Urdahl
Beard	Dettmer	Garofalo	Hoppe	Seifert	Westrom
Brod	Drazkowski	Gottwalt	Kohls	Severson	Zellers
Buesgens	Eastlund	Gunther	Lanning	Shimanski	
Cornish	Emmer	Hackbarth	Nornes	Simpson	

The motion prevailed and the amendment was adopted.

Seifert moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 33, after line 27, insert:

"Sec. 6. Minnesota Statutes 2006, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. The commissioner may not give the examination in any language other than English. This examination must include a test of applicant's eyesight; ability to read and understand highway

signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; knowledge of railroad grade crossing safety; knowledge of slow-moving vehicle safety; knowledge of traffic laws related to bicycles; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for disabled persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant."

Page 36, after line 19, insert:

"Sec. 10. **REPEALER.**

Minnesota Rules, part 7410.4740, paragraph a, is repealed."

A roll call was requested and properly seconded.

The question was taken on the Seifert amendment and the roll was called. There were 47 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Erickson	Holberg	Nornes	Shimanski
Anderson, S.	Demmer	Faust	Hoppe	Olin	Simpson
Beard	Dettmer	Finstad	Hosch	Olson	Smith
Brod	Dittrich	Garofalo	Howes	Otremba	Wardlow
Brown	Doty	Gottwalt	Kalin	Peppin	Welti
Buesgens	Drazkowski	Gunther	Kohls	Poppe	Westrom
Cornish	Eastlund	Hackbarth	Magnus	Seifert	Zellers
Dean	Emmer	Heidgerken	McNamara	Severson	

Those who voted in the negative were:

Abeler	Erhardt	Juhnke	Mahoney	Paymar	Swails
Anzelc	Fritz	Kahn	Mariani	Pelowski	Thao
Atkins	Gardner	Knuth	Marquart	Peterson, A.	Thissen
Berns	Greiling	Koenen	Masin	Peterson, N.	Tillberry
Bigham	Hansen	Kranz	McFarlane	Peterson, S.	Tingelstad
Bly	Hausman	Laine	Moe	Rukavina	Tschumper
Brynaert	Haws	Lanning	Morgan	Ruud	Urdahl
Bunn	Hilstrom	Lenczewski	Morrow	Sailer	Wagenius
Carlson	Hilty	Lesch	Mullery	Scalze	Walker
Clark	Hornstein	Liebling	Murphy, E.	Sertich	Ward
Davnie	Hortman	Lieder	Murphy, M.	Simon	Winkler
Dill	Huntley	Lillie	Nelson	Slawik	Spk. Kelliher
Dominguez	Jaros	Loeffler	Norton	Slocum	
Eken	Johnson	Madore	Paulsen	Solberg	

The motion did not prevail and the amendment was not adopted.

The Speaker called Thissen to the Chair.

Seifert moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 15, line 25, delete "who has"

Page 15, delete lines 26 and 27, and insert "is allowed a credit against the tax imposed under this chapter if the individual:

(i) has attained the age of 18 by the end of the taxable year;

(ii) cannot be claimed as a dependent on another taxpayer's return; and

(iii) is (A) a United States citizen or (B) lawfully present in the United States."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert amendment and the roll was called. There were 73 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Kranz	Paulsen	Swails
Anderson, B.	DeLaForest	Gottwalt	Lanning	Peppin	Tingelstad
Anderson, S.	Demmer	Gunther	Lenczewski	Peterson, N.	Urdahl
Atkins	Dettmer	Hackbarth	Magnus	Peterson, S.	Wardlow
Beard	Dill	Hamilton	McFarlane	Poppe	Walti
Benson	Dittrich	Haws	McNamara	Ruud	Westrom
Berns	Drazkowski	Heidgerken	Morgan	Scalze	Wollschlager
Bigham	Eastlund	Holberg	Nornes	Seifert	Zellers
Brod	Emmer	Hoppe	Norton	Severson	
Brown	Erhardt	Hosch	Olin	Shimanski	
Buesgens	Erickson	Howes	Olson	Simon	
Bunn	Faust	Kalin	Otremba	Simpson	
Cornish	Finstad	Kohls	Ozment	Smith	

Those who voted in the negative were:

Anzelc	Gardner	Johnson	Loeffler	Murphy, M.	Solberg
Bly	Greiling	Juhnke	Madore	Nelson	Thao
Brynaert	Hansen	Kahn	Mahoney	Paymar	Thissen
Carlson	Hausman	Knuth	Mariani	Pelowski	Tillberry
Clark	Hilstrom	Koenen	Marquart	Peterson, A.	Tschumper
Davnie	Hilty	Laine	Masin	Rukavina	Wagenius
Dominguez	Hornstein	Lesch	Moe	Sailer	Walker
Doty	Hortman	Liebling	Morrow	Sertich	Ward
Eken	Huntley	Lieder	Mullery	Slawik	Winkler
Fritz	Jaros	Lillie	Murphy, E.	Slocum	Spk. Kelliher

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Peppin offered an amendment to H. F. No. 2800, the third engrossment, as amended.

POINT OF ORDER

Howes raised a point of order pursuant to rule 3.21 that the Peppin amendment was not in order. The Speaker ruled the point of order well taken and the Peppin amendment out of order.

Magnus moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Pages 35 and 36, delete section 7

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Magnus amendment and the roll was called. There were 45 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Hoppe	Olson	Smith
Anderson, B.	DeLaForest	Garofalo	Howes	Ozment	Urdahl
Anderson, S.	Demmer	Gottwalt	Kohls	Paulsen	Wardlow
Beard	Dettmer	Gunther	Lanning	Peppin	Westrom
Berns	Drazkowski	Hackbarth	Magnus	Seifert	Zellers
Brod	Eastlund	Hamilton	McFarlane	Severson	
Buesgens	Emmer	Heidgerken	McNamara	Shimanski	
Cornish	Erickson	Holberg	Nornes	Simpson	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Madore	Paymar	Swails
Atkins	Erhardt	Johnson	Mahoney	Pelowski	Thao
Benson	Faust	Juhnke	Mariani	Peterson, A.	Thissen
Bigham	Fritz	Kahn	Marquart	Peterson, N.	Tillberry
Bly	Gardner	Kalin	Masin	Peterson, S.	Tingelstad
Brown	Greiling	Knuth	Moe	Poppe	Tschumper
Brynaert	Hansen	Koenen	Morgan	Rukavina	Wagenius
Bunn	Hausman	Kranz	Morrow	Ruud	Walker
Carlson	Haws	Laine	Mullery	Sailer	Ward
Clark	Hilstrom	Lenczewski	Murphy, E.	Scalze	Welti
Davnie	Hilty	Lesch	Murphy, M.	Sertich	Winkler
Dill	Hornstein	Liebling	Nelson	Simon	Wollschlager
Dittrich	Hortman	Lieder	Norton	Slawik	Spk. Kelliher
Dominguez	Hosch	Lillie	Olin	Slocum	
Doty	Huntley	Loeffler	Otremba	Solberg	

The motion did not prevail and the amendment was not adopted.

Brod and Lieder moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 24, line 13, delete "of the county" and insert "in each of the counties affected"

Page 24, line 14, delete "or counties"

The motion prevailed and the amendment was adopted.

Madore, Atkins, Bigham and Hansen moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 18, line 8, after the semicolon, insert "and"

Page 18, delete lines 9 to 11 and insert:

"(2) 50 percent to the county state-aid highway fund. Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this clause to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause."

Page 30, line 11, strike "may" and insert "shall" and strike "for"

Page 30, after line 11, insert:

"(1) in fiscal years 2009 and 2010, 100 percent of the excess sum, as calculated in paragraph (i), and in fiscal years 2011 and thereafter, 50 percent of the excess sum, as calculated in paragraph (i), for counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey; and

(2) of the amount available in the flexible highway account less the amount under clause (1), as determined by the commissioner under this section for:"

Page 30, line 12, delete "(1)" and insert "(i)"

Page 30, line 16, delete "(2)" and insert "(ii)"

Page 30, line 18, delete "(3)" and insert "(iii)"

Page 31, after line 24, insert:

"(i) The excess sum is calculated as the sum of revenue within the flexible highway account:

(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;

(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and

(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the flexible highway account in fiscal year 2007.

(j) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (i), clause (2), is for all urban consumers, United States city average, as determined by the United States Department of Labor."

Atkins moved to amend the Madore et al amendment to H. F. No. 2800, the third engrossment, as amended, as follows:

Page 1, line 16, delete "excluding the counties of Hennepin and Ramsey" and insert "but for the purposes of the calculation cities of the first class will be excluded in the metropolitan area"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Madore et al amendment, as amended, to H. F. No. 2800, the third engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 2800, as amended, was read for the third time.

MOTION TO LAY ON THE TABLE

Olson moved that H. F. No. 2800, as amended, be laid on the table until Thursday, February 28, 2008.

A roll call was requested and properly seconded.

The question was taken on the Olson motion amendment and the roll was called. There were 37 yeas and 96 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Magnus	Seifert	Westrom
Beard	Dettmer	Gunther	McFarlane	Severson	Zellers
Berns	Drazkowski	Hackbarth	McNamara	Shimanski	
Buesgens	Eastlund	Heidgerken	Nornes	Simpson	
Cornish	Emmer	Hoppe	Olson	Smith	
Dean	Erickson	Kohls	Ozment	Urdahl	
DeLaForest	Finstad	Lanning	Peppin	Wardlow	

Those who voted in the negative were:

Abeler	Dominguez	Hornstein	Liebling	Norton	Slawik
Anderson, S.	Doty	Hortman	Lieder	Olin	Slocum
Anzelc	Eken	Hosch	Lillie	Otremba	Solberg
Atkins	Erhardt	Howes	Loeffler	Paulsen	Swails
Benson	Faust	Huntley	Madore	Paymar	Thao
Bigham	Fritz	Jaros	Mahoney	Pelowski	Thissen
Bly	Gardner	Johnson	Mariani	Peterson, A.	Tillberry
Brod	Garofalo	Juhnke	Marquart	Peterson, N.	Tingelstad
Brown	Greiling	Kahn	Masin	Peterson, S.	Tschumper
Brynaert	Hamilton	Kalin	Moe	Poppe	Wagenius
Bunn	Hansen	Knuth	Morgan	Rukavina	Walker
Carlson	Hausman	Koenen	Morrow	Ruud	Ward
Clark	Haws	Kranz	Mullery	Sailer	Welti
Davnie	Hilstrom	Laine	Murphy, E.	Scalze	Winkler
Dill	Hilty	Lenczewski	Murphy, M.	Sertich	Wollschlager
Dittrich	Holberg	Lesch	Nelson	Simon	Spk. Kelliher

The motion did not prevail.

H. F. No. 2800, A bill for an act relating to transportation finance; appropriating money for transportation activities; providing funding for highway maintenance, debt service, and local roads; appropriating funds for emergency relief related to the I-35W bridge collapse; establishing a trunk highway bridge improvement program; requiring a study of value capture to reduce the public costs of large transportation infrastructure investment; authorizing sale and issuance of bonds; modifying motor vehicle registration and motor fuel taxes; establishing annual surcharge on motor fuel taxes; creating a motor fuels tax credit; allocating motor vehicle lease tax revenues; providing for local transportation sales taxes; modifying county state-aid highway fund revenue allocation; prohibiting tolling or privatization of existing transportation facilities; establishing bridge improvement program; modifying driver's license reinstatement fee provisions; regulating certain transit funding activities; modifying provisions related to various transportation-related funds and accounts; establishing a task force; requiring reports; amending Minnesota Statutes 2006, sections 160.84, subdivision 1; 161.081, subdivision 3; 162.06; 162.07, subdivision 1, by adding subdivisions; 168.013, subdivision 1a; 171.29, subdivision 2; 290.06, by adding a subdivision; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.64, subdivision 2; 297A.815, by adding a subdivision; 297A.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 165; 296A; 297A; 398A.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 89 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Abeler	Carlson	Faust	Hilstrom	Kahn	Lillie
Anzelc	Clark	Fritz	Hilty	Kalin	Loeffler
Atkins	Davnie	Gardner	Hornstein	Knuth	Madore
Benson	Dill	Greiling	Hortman	Koenen	Mahoney
Bigham	Dittrich	Hamilton	Hosch	Kranz	Mariani
Bly	Dominguez	Hansen	Huntley	Laine	Marquart
Brown	Doty	Hausman	Jaros	Lenczewski	Masin
Brynaert	Eken	Haws	Johnson	Liebling	Moe
Bunn	Erhardt	Heidgerken	Juhnke	Lieder	Morgan

Morrow	Olin	Poppe	Simon	Thissen	Ward
Mullery	Paymar	Rukavina	Slawik	Tillberry	Welti
Murphy, E.	Pelowski	Ruud	Slocum	Tingelstad	Winkler
Murphy, M.	Peterson, A.	Sailer	Solberg	Tschumper	Wollschlager
Nelson	Peterson, N.	Scalze	Swails	Wagenius	Spk. Kelliher
Norton	Peterson, S.	Sertich	Thao	Walker	

Those who voted in the negative were:

Anderson, B.	DeLaForest	Garofalo	Lanning	Ozment	Urdahl
Anderson, S.	Demmer	Gottwalt	Lesch	Paulsen	Wardlow
Beard	Dettmer	Gunther	Magnus	Peppin	Westrom
Berns	Drazkowski	Hackbarth	McFarlane	Seifert	Zellers
Brod	Eastlund	Holberg	McNamara	Severson	
Buesgens	Emmer	Hoppe	Nornes	Shimanski	
Cornish	Erickson	Howes	Olson	Simpson	
Dean	Finstad	Kohls	Otremba	Smith	

The bill was passed, as amended, and its title agreed to.

MOTIONS AND RESOLUTIONS

Ward moved that the name of Wollschlager be added as an author on H. F. No. 420. The motion prevailed.

Hosch moved that the name of Tschumper be added as an author on H. F. No. 1625. The motion prevailed.

Madore moved that the names of Masin and Morgan be added as authors on H. F. No. 2140. The motion prevailed.

Holberg moved that her name be shown as chief author on H. F. No. 2379. The motion prevailed.

Hornstein moved that the name of Murphy, E., be added as an author on H. F. No. 2469. The motion prevailed.

Lanning moved that the name of Severson be added as an author on H. F. No. 2536. The motion prevailed.

Murphy, M., moved that the name of Nornes be added as an author on H. F. No. 2558. The motion prevailed.

Otremba moved that the name of Juhnke be added as an author on H. F. No. 2640. The motion prevailed.

Otremba moved that the name of Heidgerken be added as an author on H. F. No. 2683. The motion prevailed.

Gardner moved that the name of McFarlane be added as an author on H. F. No. 2785. The motion prevailed.

Brynaert moved that the name of Gunther be added as an author on H. F. No. 2937. The motion prevailed.

Bly moved that the name of Morgan be added as an author on H. F. No. 3003. The motion prevailed.

Sailer moved that the name of Ruud be added as an author on H. F. No. 3036. The motion prevailed.

Scalze moved that the name of Ruud be added as an author on H. F. No. 3122. The motion prevailed.

Brod moved that the name of Hornstein be added as an author on H. F. No. 3128. The motion prevailed.

Murphy, E., moved that the name of Ruud be added as an author on H. F. No. 3148. The motion prevailed.

Knuth moved that the name of Ruud be added as an author on H. F. No. 3154. The motion prevailed.

Lenczewski moved that the name of Moe be added as an author on H. F. No. 3171. The motion prevailed.

Kahn moved that the name of Moe be added as an author on H. F. No. 3174. The motion prevailed.

Knuth moved that the name of Lenczewski be added as an author on H. F. No. 3195. The motion prevailed.

Clark moved that the name of Ruud be added as an author on H. F. No. 3196. The motion prevailed.

Rukavina moved that the name of Brynaert be added as an author on H. F. No. 3206. The motion prevailed.

Lanning moved that the name of Brynaert be added as an author on H. F. No. 3208. The motion prevailed.

Davnie moved that the name of Mahoney be added as an author on H. F. No. 3236. The motion prevailed.

Winkler moved that the name of Brynaert be added as an author on H. F. No. 3246. The motion prevailed.

Scalze moved that the name of Nelson be added as an author on H. F. No. 3248. The motion prevailed.

Solberg moved that the name of Kahn be added as an author on H. F. No. 3254. The motion prevailed.

Madore moved that the name of Wardlow be added as an author on H. F. No. 3256. The motion prevailed.

Loeffler moved that the name of Kahn be added as an author on H. F. No. 3261. The motion prevailed.

Peterson, S., moved that the names of Ruud and Benson be added as authors on H. F. No. 3290. The motion prevailed.

Dittrich moved that the names of Ruud and Benson be added as authors on H. F. No. 3292. The motion prevailed.

Clark moved that the names of Ruud, Benson and Kahn be added as authors on H. F. No. 3293. The motion prevailed.

Dettmer moved that the name of Westrom be added as an author on H. F. No. 3297. The motion prevailed.

Eastlund moved that the name of Gottwalt be added as an author on H. F. No. 3300. The motion prevailed.

Mahoney moved that the names of Ruud, Benson and Dittrich be added as authors on H. F. No. 3304. The motion prevailed.

Brynaert moved that the name of Ruud be added as an author on H. F. No. 3329. The motion prevailed.

Simon moved that H. F. No. 1062 be recalled from the Transportation Finance Division and be re-referred to the Committee on E-12 Education. The motion prevailed.

Madore moved that H. F. No. 2140 be recalled from the Committee on Finance and be re-referred to the Committee on Taxes. The motion prevailed.

Rukavina moved that H. F. No. 2753 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Taxes. The motion prevailed.

Paymar moved that H. F. No. 2898, now on the General Register, be re-referred to the Committee on Public Safety and Civil Justice. The motion prevailed.

Fritz moved that H. F. No. 3060 be returned to its author. The motion prevailed.

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 12:30 p.m., Monday, February 25, 2008. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Monday, February 25, 2008.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives